



Regional Sewerage Program Technical Committee Meeting

AGENDA
Thursday, May 30, 2019
2:00 p.m.

Location

Inland Empire Utilities Agency
Anza Conference Room
6075 Kimball Avenue
Chino, CA 91709

Call to Order and Roll Call

Additions/Changes to the Agenda

1. Action Items

- A. Meeting Minutes for April 28, 2019
- B. City of Ontario Regional Connection O-100
- C. City of Chino Regional Connection C-40
- D. Mechanical Restoration and Upgrades Construction Contract Award
- E. Biennial Regional Programs Budget and TYCIP

2. Informational Items

- A. Operations Division Update
- B. FY 2017/18 Recycled Water Reconciliation

3. Receive and File

- A. Draft Regional Policy Committee Agenda
- B. Building Activity Report
- C. Recycled Water Distribution - Operations Summary
- D. Legislative Update
- E. Pretreatment Committee Minutes
- F. JCSD Water Resources Management Partnership
- G. IEUA Rate Study Workshop #2

4. Previous Technical Committee Items Requested None.

5. Other Business

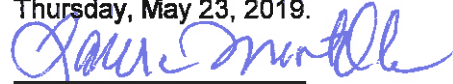
- A. IEUA General Manager's Update

- B. Committee Member Requested Agenda Items for Next Meeting
- C. Committee Member Comments
- D. Next Regular Meeting – July 25, 2019

6. Adjournment

DECLARATION OF POSTING

I, Laura Mantilla, Executive Assistant of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted to the IEUA Website at www.ieua.org and posted in the foyer at the Agency's main office at 6075 Kimball Avenue, Building A, Chino, CA, on Thursday, May 23, 2019.



Laura Mantilla
Laura Mantilla

**ACTION
ITEM**

1A



Special Regional Sewerage Program
Technical Committee Meeting
MINUTES OF APRIL 25, 2019

CALL TO ORDER

A regular meeting of the IEUA/Regional Sewerage Program – Technical Committee was held on Thursday, April 25, 2019, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, California. Committee Chairman Noel Castillo called the meeting to order at 2:01 p.m.

ATTENDANCE

Committee Members:

Dave Crosley	City of Chino
Ron Craig	City of Chino Hills
Eduardo Espinoza (Alternate)	Cucamonga Valley Water District
Chuck Hays	City of Fontana
Noel Castillo	City of Montclair
Katie Gienger (Alternate)	City of Ontario
Rosemary Hoerning	City of Upland
Shivaji Deshmukh	Inland Empire Utilities Agency

OTHERS PRESENT

Amanda Coker	City of Chino
Courtney Jones	City of Ontario
Kathy Besser	Inland Empire Utilities Agency
Randy Lee	Inland Empire Utilities Agency
Christina Valencia	Inland Empire Utilities Agency
Shaun Stone	Inland Empire Utilities Agency
Andy Campbell	Inland Empire Utilities Agency
Javier Chagoyen-Lazaro	Inland Empire Utilities Agency
Ken Tam	Inland Empire Utilities Agency
Glenn Edwards	Inland Empire Utilities Agency
Neetu Gupta	Inland Empire Utilities Agency

ADDITIONS/CHANGES TO THE AGENDA

There were none.

1. ACTION ITEMS

A. APPROVAL OF THE MEETING MINUTES OF MARCH 28, 2019

Motion: By Chuck Hays/City of Fontana and seconded by Rosemary Hoerning/City of Upland to approve the meeting minutes of March 25, 2019.

Motion carried: Unanimously.

B & C. APPROVAL OF CONNECTION POINT REQUESTS TO REGIONAL SYSTEM

Shaun Stone/IEUA stated that IEUA evaluated two new sewer connection point requests to the Regional System from the City of Fontana and Cucamonga Valley Water District. Mr. Stone stated the requests are within the available capacity of the pipelines.

Motion: By Rosemary Hoerning/City of Upland and seconded by Dave Crosley/City of Chino to approve the connection point requests to the Regional System for the City of Fontana (Fontana Regional Sewer Connection #F-31) and Cucamonga Valley Water District (CVWD Regional Sewer Connection #CW-19).

Motion carried: Unanimously.

D. APPROVAL OF REGIONAL CONTRACT FACILITATION CONTRACT AMENDMENT

Ken Tam/IEUA stated that the Regional Contract Negotiations are on schedule. This action item is for the consideration of the new scope (Phase 2C) and budget. If the Technical Committee recommends approval of the contract amendment, this will be presented to the Policy Committee on May 2 and will be brought to the IEUA Board for approval in June. Ms. Katie Gienger/City of Ontario asked for the timeline and the topics. Discussion ensued regarding the cost and budget of the original scope. Total contract to-date is \$504,845. Mr. Tam stated he can provide an updated amount of the remaining budget balance. The current contract runs through June. The Committee recommended quarterly budget check-ins, identify opportunities to make meetings more efficient, clarify schedules, streamline meetings; and to look at other avenues to cut down K&W travel expenses.

Motion: By Ron Craig/City of Chino Hills and seconded by Rosemary Hoerning/City of Upland to approve the contract amendment with Kearns & West, Inc., for the Regional Contract Facilitation (Phase 2C), provided that the facilitation team update the group quarterly on the budget and scope, identify opportunities to streamline meetings, clarify schedules, and look at avenues for cost effectiveness.

Motion carried: Unanimously.

2. INFORMATIONAL ITEMS

A. PROPOSED BIENNIAL REGIONAL PROGRAMS BUDGET

Javier Chagoyen-Lazaro/IEUA gave an overview of the biennial budget for the Wastewater, Recycled Water and Recharge Water Programs for Fiscal Years 2019/20 – 2020/21. Mr. Chagoyen-Lazaro reviewed the Wastewater Capital Fund Total Sources and Uses of Funds and stated that the budget is \$73 million for FY 2019/20 and \$145 million for FY 2020/21; the increase is primarily for the RP-5 Expansion and the CCWRF Asset Management. Mr. Chagoyen-Lazaro stated that the sources of funds are property taxes, debt and grant proceeds and new connections fees. Mr. Chagoyen-Lazaro noted that the funding reserves will be increasing due to the projects.

The total budget for the Wastewater Operations Fund Total Sources and Uses of Funds for FY 2019/20 is approximately \$99 million and \$103 million for FY 2020/21. Discussion ensued on the use of reserves and projected revenues. He continued with the cost of service for the Wastewater Operations fund. Christina Valencia/IEUA added that the rates for FY 2020 will remain the same and currently the IEUA Study for FY 2020/21 is underway. The budget for the Recycled Water Fund Total Sources and Uses of Funds is \$47 million for FY 2019/20 and \$48 million for FY 2020/21. The major projects are the Baseline Recycled Water Pipeline Extension, Recycled Water Interties Pomona/JCSD and RP-1 1158 Recycled Water Pump Station Upgrades. Discussion ensued on the sources of funds, intertie projects, cost of service and fund reserves. Mr. Chagoyen-Lazaro then reviewed the cost of service and fund reserves for Recycled Water Fund.

The capital project costs for the implementation of the Recharge Master Plan Update for FY 2019/20 and 2020/21 is \$5.0 million and \$13.2 million respectively. Mr. Chagoyen-Lazaro stated these projects are 100% responsible by Watermaster and will be paid through debt contributions by Watermaster.

B. GROUNDWATER RECHARGE/RECYCLED WATER SEMI-ANNUAL UPDATE

Andy Campbell/IEUA gave a presentation on groundwater recharge (GWR) and recycled water (RW). He discussed the historical trends and stated that FY 2017/18 was a record year at 51,000 AF. He reviewed the historical monthly deliveries for FY 2005/06 through FY 2018/19. He noted that for the month of February 2019, total recycled water was about 9 AF. He discussed the status of the recharge basins during and after storms during January and February 2019; historical stormwater capture; historical recycled water demand, San Sevaine RW/SW Project; and GWR/RW Allocations.

C. GRANTS DEPARTMENT SEMI ANNUAL UPDATE

Jesse Pompa/IEUA gave a presentation on the Grants Department Semi Annual Update. He reported that from 2000 to present, IEUA has secured \$473 million in grants and loans. He explained that historically the Agency has had more success securing grant funding for groundwater and drinking water projects than recycled water or wastewater. Mr. Pompa stated that IEUA has 13 funding applications out and is requesting \$757 million. He stated that the SRF loan projects on the State Water Resources Control Board (SWRCB) fundable list for 2018-present total \$531 million and qualified for the green project status which resulted in \$18.9 million of SRF loan principal forgiveness. Mr. Pompa highlighted the interest savings in funding for SRF loans totaled \$236.2 million versus bonds. He then informed the Committee of upcoming federal opportunities and stated that if they have questions or need assistance to contact him.

D. ENGINEERING QUARTERLY PROJECT UPDATES

Shaun Stone/IEUA provided an overview of the Engineering and Construction Management Projects for Napa Lateral; Philadelphia Lift Station Force Main Improvements; Victoria Basin Improvements; San Sevaine Basin Improvements; and Lower Day Basin. He discussed project goals, costs and construction percentage complete.

3. RECEIVE AND FILE

A. DRAFT REGIONAL POLICY COMMITTEE AGENDA

The draft Regional Policy Committee Agenda was received and filed by the Committee.

B. BUILDING ACTIVITY REPORTS

The Building Activity Reports for January and February 2019 were received and filed by the Committee.

C. RECYCLED WATER DISTRIBUTION - OPERATIONS SUMMARY

The March 2019 Recycled Water Distribution Operations Summary was received and filed by the Committee. Ms. Gienger asked if the recycled water delivered included recharge or direct use. Randy Lee/IEUA stated he will check and will send the Committee the information.

D. LEGISLATIVE UPDATE

The IEUA Bill Matrix was received and filed by the Committee.

E. 2019 RATE STUDY WORKSHOP SCHEDULE

The IEUA Rate Study schedule was received and filed. Ms. Gienger recommended that IEUA inform the Policy Committee of the Rate Study schedule.

4. PREVIOUS TECHNICAL COMMITTEE ITEMS REQUESTED

A. Recycled Water Capital Program Approach. Chairman Castillo recommended that this item be brought back to the next Technical Committee meeting.

5. OTHER BUSINESS**A. IEUA GENERAL MANAGER'S UPDATE**

- Regional Contract Negotiations – General Manager Shivaji Deshmukh commented that he appreciates the member agencies involvement on the Regional Contract negotiations and is looking forward to working with everyone.
- State Water Resources Control Board Workshop – On April 23, the SWRCB held a workshop on updating the Sewer System Management Plan regulations. Attendees included stakeholders, IEUA and member agency staff.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

Ms. Gienger suggested that the proposed biennial budget presentation be presented at the next Water Managers meeting. Ms. Valencia stated IEUA will add the item to the agenda.

C. COMMITTEE MEMBER COMMENTS**D. NEXT MEETING – MAY 30, 2019**

6. ADJOURNMENT – Chairman Castillo adjourned the meeting at 3:33 p.m.

Transcribed

by:

Laura Mantilla, Executive Assistant

**ACTION
ITEM**

1B



Date: April 25, 2019
To: Regional Technical Committee
From: Inland Empire Utilities Agency *ASW*
Subject: Request by the City of Ontario for a Regional Connection Point to the Etiwanda Trunk Sewer (Ontario Regional Sewer Connection #O-100)

RECOMMENDATION

It is recommended that the Regional Technical Committee approve the request by the City of Ontario for one new connection point to the Regional System (Ontario Regional Sewer Connection #O-100).

BACKGROUND

On March 27, 2019, IEUA received a request from the City of Ontario (Attachment "A") for the approval of a sewer connection located in Loop Road in the City of Ontario. The purpose of the connection is for a proposed development bounded by Loop Road due to a lack of a local sewer in close proximity. Regional Connection #O-100 will be made by constructing a new manhole on the 27-inch Etiwanda Trunk Sewer located an IEUA easement south of I-10 Freeway, west of Etiwanda Avenue, and north of Union Pacific Railroad (Attachment "B").

SUMMARY OF FLOW RATE

Ontario Regional Connection #O-100: Peak Flow Rate = 0.012 MGD

The 27-inch Etiwanda Trunk Sewer is designed to deliver a maximum flow rate of 12.66 MGD to the Regional Water Recycling Plant No. 1. The proposed additional flow rate of 0.012 MGD is within the remaining pipeline capacity of 11.63 MGD.

CITY OF



ONTARIO

ONTARIO MUNICIPAL UTILITIES COMPANY

PAUL S. LEON
MAYOR

March 27, 2019

SCOTT OCHOA
CITY MANAGER

RUBEN VALENCIA
MAYOR PRO TEM

SHEILA MAUTZ
CITY CLERK

ALAN D. WAPNER
JIM W. BOWMAN
DEBRA DORST-PORADA
COUNCIL MEMBERS

JAMES R. MILHISER
TREASURER

SCOTT BURTON
UTILITIES GENERAL MANAGER

Ms. Liza Munoz
Senior Engineer
Inland Empire Utility Agency
6075 Kimball Avenue
Chino, CA 91710

Dear Ms. Munoz:

Subject: Request for Regional Sewer Connection to the Etiwanda Trunk Sewer located west of Etiwanda Avenue and south of Interstate 10.

The City of Ontario is hereby requesting a new Regional Point of Connection for a parcel at the southwest corner of Etiwanda Avenue and Interstate 10 (I-10).

The City is proposing to connect a new 8-inch sewer line to the Etiwanda Trunk Sewer. The connection will require constructing a manhole along the Etiwanda Trunk Sewer (per IEUA drawing #D4597-11 at station 96+72.34).

This proposed connection is for new development, which was not included in the City of Ontario's 2012 Sewer Master Plan Update.

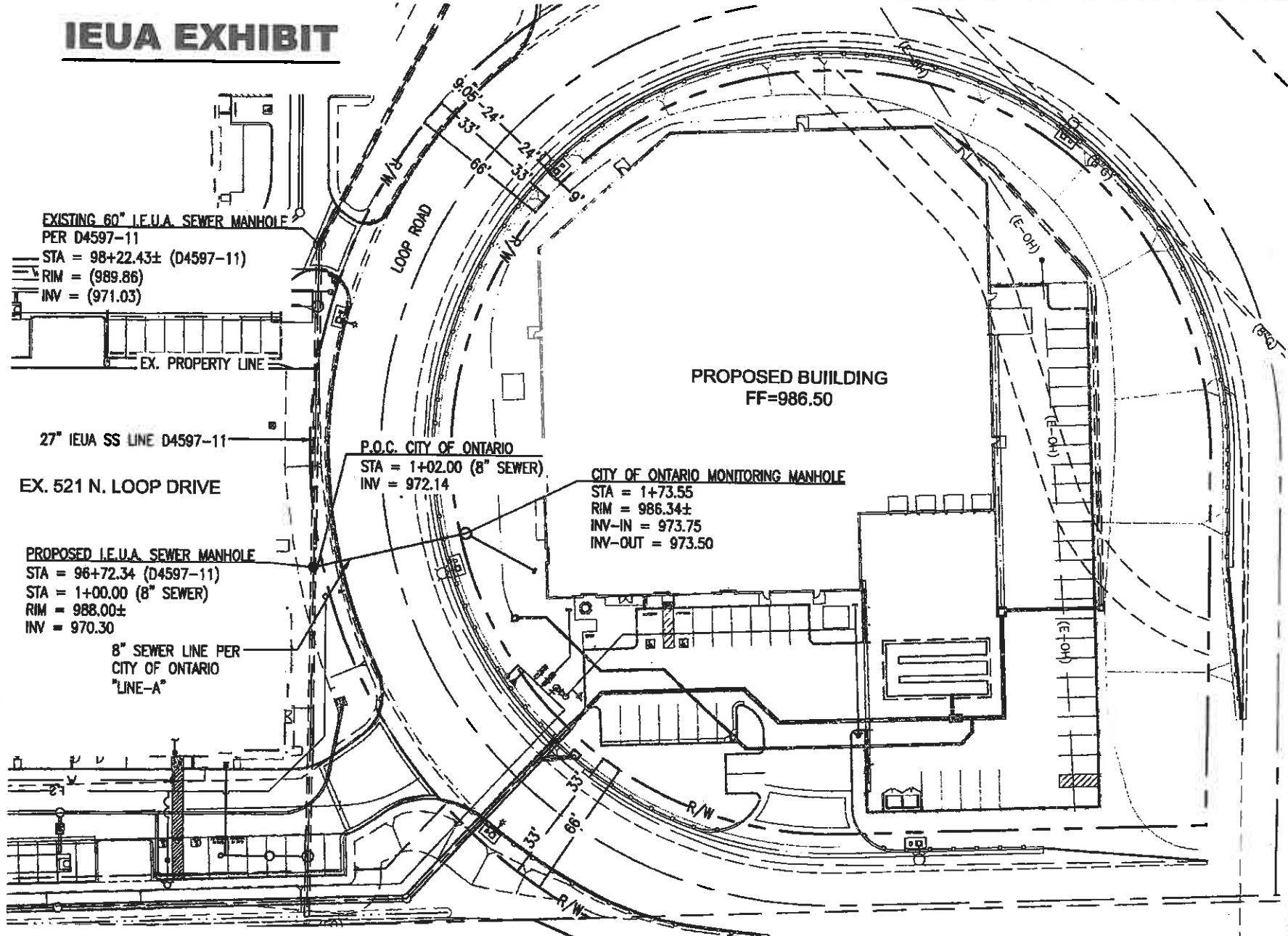
The total ultimate estimated Average Dry Weather Flow (ADWF) is 0.004000 mgd and Peak Dry Weather Flow (PDWF) is 0.012443 mgd. This is based on the City's current Sewer Master Plan Demand Factors and peaking formula $[PDWF = 2.0 (ADWF)^{0.92}]$.

If you should need any further information, please contact Ahmed Aly at (909) 395-2657.

Sincerely,

Dennis Mejia, P.E.
Utilities Engineering Director

IEUA EXHIBIT



EXISTING 60" I.E.U.A. SEWER MANHOLE
 PER D4597-11
 STA = 98+22.43± (D4597-11)
 RIM = (989.86)
 INV = (971.03)

27" IEUA SS LINE D4597-11
 EX. 521 N. LOOP DRIVE

PROPOSED I.E.U.A. SEWER MANHOLE
 STA = 96+72.34 (D4597-11)
 STA = 1+00.00 (8" SEWER)
 RIM = 988.00±
 INV = 970.30

8" SEWER LINE PER
 CITY OF ONTARIO
 "LINE-A"

P.O.C. CITY OF ONTARIO
 STA = 1+02.00 (8" SEWER)
 INV = 972.14

CITY OF ONTARIO MONITORING MANHOLE
 STA = 1+73.55
 RIM = 986.34±
 INV-IN = 973.75
 INV-OUT = 973.50

PROPOSED BUILDING
 FF=986.50

WestLAND
 Group, Inc. Land Surveyors • Civil Engineers • GIS

4150 CONCOURS, ONTARIO, CA 91764
 PHONE: (909) 989-9789 FAX: (909) 989-9680
 WWW.WESTLANDGROUP.NET

SCALE: 1" = 50'
 PROJECT No. 2016-281

03/05/2018

**ATTACHMENT "B"
CITY OF ONTARIO
REGIONAL CONNECTION #0-100**



REGIONAL CONNECTION #0-100

PROPOSED DEVELOPMENT

ETIWANDA TRUNK SEWER

AIRPORT

ETIWANDA

UPRR



**ACTION
ITEM**

1C

Date: April 25, 2019
To: Regional Technical Committee
From: Inland Empire Utilities Agency *ADD*
Subject: Request by the City of Chino for a Regional Connection Point to the Kimball Interceptor (Chino Regional Sewer Connection #C-40)

RECOMMENDATION

It is recommended that the Regional Technical Committee approve the request by the City of Chino for one new connection point to the Regional System (Chino Regional Sewer Connection #C-40).

BACKGROUND

On April 1, 2019, IEUA received a request from the City of Chino (Attachment "A") for the approval of a sewer connection located in Kimball Avenue in the City of Chino. The purpose of the connection is for a proposed commercial development located on the southwest corner of Kimball Avenue and Euclid Avenue. Regional Connection #C-40 will be made by connecting to an existing manhole on the 60-inch Kimball Interceptor located in the eastbound lane of Kimball Avenue, west of Euclid Avenue (Attachment "B").

SUMMARY OF FLOW RATE

Chino Regional Connection #C-40: Peak Flow Rate = 0.0065 MGD

The 60-inch Kimball Interceptor is designed to deliver a maximum flow rate of 47.73 MGD to the Regional Water Recycling Plant No. 5. The proposed additional flow rate of 0.0065 MGD is within the remaining pipeline capacity of 19.33 MGD.

EUNICE M. ULLOA
Mayor

TOM HAUGHEY
Mayor Pro Tem



MARK HARGROVE
MARC LUCIO
PAUL A. RODRIGUEZ Ed.D.
Council Members

MATTHEW C. BALLANTYNE
City Manager

CITY of CHINO

April 1, 2019

Ms. Liza Munoz
Senior Engineer
Inland Empire Utility Agency
6075 Kimball Avenue
Chino, CA 91708

Dear Ms. Munoz:

Subject: Sewer Connection to existing IEUA sewer manhole SA 16-0072 Kimball Avenue and Euclid Ave, for Farmer Boys Project

The City of Chino is hereby requesting one new point of connection. The connection is a new sewer lateral to the existing IEUA sewer manhole on the Kimball Interceptor. The new sewer lateral's point of connection to the 6-ft diameter manhole located in Kimball Avenue is located at station 99+18.01 per the approved Sewer Plan D4606-5A located on Sheet 5A of 20.

This proposed connection will serve a commercial site, consisting of a 3,218 sf Farmer Boys Restaurant and a 2,300 SF commercial building at the southwest corner of Kimball Avenue and Euclid Avenue. The peak wastewater outflows were provided by EMPIRE 3 Consulting Engineers, Inc., on behalf of Farmer Boys. Copy of letter attached as summarized below.

1. The estimated average outflow is 4,100 GPD + 230 GPD = **4,330 GPD.**
2. The estimated maximum outflow is 6,150 GPD + 345 GPD = **6,495 GPD.**

If you should need any further information, please contact me at (909) 334-3417.

Sincerely,

Christopher L. Magdosku P.E.
City Engineer

cc: Joe Mineo, Havadjia Holdings, Inc.





EMPIRE 3 Consulting Engineers, Inc.

March 26, 2019

**Farmer Boys Burgers Restaurant (Bldg. 1)
& Commercial Service Building (Bldg.2)
7031 Kimball Ave.,
Chino, CA 92518
APN 1056-061-04**

To whom it may concern,

This letter serves as a clarification of the Estimated Average Daily Sewage flow rate of the above referenced project. The Estimated Average Daily Sewage Flow rate is for (2) proposed buildings located at the SWC of Euclid Avenue (SR-83) and Kimball Avenue in the city of Chino, California. There will be two types of building occupancies at the site, one building is to be a restaurant space (Farmers Boys Burgers) approximately 3,200 square feet with 82 seats in dining area, and the other is a Commercial Service Building approximately 2,300 square feet. The information provided is based off the "Estimated Average Daily Sewage Flows for various occupancies" per Los Angeles County Public Works flow rates. The estimated GPD (Gallons per Day) for the Farmers Boys restaurant is 4,100 GPD at average and 6,150 GPD for the max flow rate. The estimated GPD for the Commercial Service Building is 230 GPD at average and 345 GPD for the max flow rate.

Please call for any questions.

Sincerely,


Krishna C.V. Kumar, P.E.
Sr. Mechanical Engineer / Associate
Empire 3 Consulting Engineers, Inc.



EMPIRE 3 CONSULTING ENGINEERS, INC.

Corporate Office
7010 Arlington Ave., Suite 205
Riverside, CA. 92503
(951) 509-1900 • (951) 509-1911 Fax

Website: www.empire3.net

ATTACHMENT "B"
CITY OF CHINO
REGIONAL CONNECTION #C-40



REGIONAL CONNECTION #C-40

KIMBALL INTERCEPTOR

KIMBALL

EUCLID

**PROPOSED
DEVELOPMENT**

**ACTION
ITEM**

1D

Date: May/June 2019

To: Regional Committees

From: Inland Empire Utilities Agency *ASP*

Subject: RP-1 Mechanical Restoration and Improvements Construction Contract Award

RECOMMENDATION

It is requested that the Regional Committees recommend the IEUA Board of Directors award the construction contract for the RP-1 Mechanical Restoration and Improvements, Project No. EN17082, to the lowest, responsive bidder for the not to exceed amount of \$8,075,000.

BACKGROUND

Regional Water Recycling Plant No.1 (RP-1) uses a conventional activated sludge process to treat wastewater in three parallel secondary treatment systems. Two buildings manage the sludge for the entire treatment process. The goal of the project is to replace mechanical (pumps, valves, piping, etc.) and electrical equipment (motor control centers, breakers, conductors, etc.) in both buildings, which are at the end of their useful life.

The electrical and most of the mechanical equipment is nearly 40 years old in both buildings. The utility water conveyance piping is corroding, which causes the pump packing seals to fail, increasing the maintenance of the mechanical equipment. In addition, the process pipe and valves are showing signs of corrosion (delaminated coating, rust, and leaks). Most of the electrical equipment is no longer being supported by the manufacturer. The motor control centers (MCC) in both buildings are critical electrical equipment, which are essential to plant operation and need to be replaced prior to catastrophic failure.

The scope of work for this project is as follows:

- Replace all sludge pumps, scum pumps, piping, and valves
- Upgrade remaining inefficient motor drives
- Replace all MCC equipment and conductors
- Install grinders on sludge transfer pumps

At the conclusion of this project, after all project components are complete, the new facilities will operate more efficiently (reduced energy consumption), reduce the overall maintenance requirements (ongoing repairs), and increase equipment reliability (modernized technology).

On May 9, 2019, a request for bids was advertised on *PlanetBids* to seven prequalified contractors. Bid opening is scheduled for June 13, 2019.

The following table presents the anticipated project cost:

Description	Estimated Cost
Design Services	\$774,390
Design Contract (actual)	\$583,287
IEUA Design Services (actual)	\$191,103
Construction Services	\$969,000
Services During Construction (5% estimate)	\$403,750
IEUA Construction Services (7% estimate)	\$565,250
Construction	\$8,882,500
Construction Contract (not-to-exceed)	\$8,075,000
Contingency (10%)	\$807,500
Total Project Cost	\$10,625,890
Total Project Budget*	\$10,629,390

*Approved bi-annual project budget for Fiscal Year 2019/20

The following is the project schedule:

Project Milestone	Date
Construction Contract Award	July 2019
Construction Completion	March 2021

The RP-1 Mechanical Restoration and Improvements Project is consistent with IEUA's Business Goal of Wastewater Management specifically the Asset Management objective that IEUA will ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

RP1 Mechanical Restorations and Improvements Construction Contract Award

Project No. EN17082



Shaun J. Stone, P.E.
May/June 2019

Project Location



The Project

- Pumps are outdated and inefficient
- Piping condition impacted by corrosion
- Electrical equipment replacement/upgrade to IEUA standards
- Scope includes:
 - Replace all sludge pumps, scum pumps, piping and appurtenances
 - Upgrade inefficient motor drives
 - Replace motor control centers
 - Install grinders on sludge transfer pumps



Sludge Pump Equipment and Appurtenances



Corroded Sludge Pump Base



Outdated Motor Control Center

Project Budget and Schedule

Description	Estimated Cost
<i>Design Services</i>	<i>\$774,390</i>
Design Consultant Contract (actual)	\$583,287
IEUA Design Services (actual)	\$191,103
Construction Services	\$969,000
Engineering Services During Construction (5% estimate)	\$403,750
IEUA Construction Services (7% estimate)	\$565,250
Construction	\$8,882,500
Construction Contract (not-to-exceed)	\$8,075,000
Contingency (10%)	\$807,500
Total Project Cost:	\$10,625,890
Total Project Budget*:	\$10,629,390

Project Milestone	Date
Construction	
Construction Contract Award	July 2019
Construction Completion	March 2021

*Approved bi-annual project budget for Fiscal Year 2019/20..

Recommendation

- It is requested that the Regional Committees recommend the IEUA Board of Directors award the construction contract for the RP-1 Mechanical Restoration and Improvements Project, Project No. EN17082, to the lowest, responsive bidder, for a not-exceed amount of \$8,075,000.

The RP-1 Mechanical Restoration and Improvements Project is consistent with **IEUA's Business Goal** of Wastewater Management specifically the Asset Management objective that IEUA will ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

**ACTION
ITEM**

1E

Date: May 30, 2019/June 6, 2019

To: Regional Committees

From: Inland Empire Utilities Agency *ASW*

Subject: Review of Proposed Biennial Budget for Fiscal Years 2019/20 and 2020/21 for Regional Wastewater, Recycled Water and Recharge Water Funds and FY 2020-2029 Ten Year Capital Improvement Plan

RECOMMENDATION

It is requested that the Regional Technical and Policy Committees (Regional Committees) provide recommendations to the IEUA Board of Directors (Board) on the proposed Fiscal Years (FYs) 2019/20 and 2020/21 biennial budget for the Agency's Regional Wastewater Operations and Maintenance fund, Regional Wastewater Capital Improvement fund, Recycled Water fund, Recharge Water fund, and the FY 2020-2029 Ten-Year Capital Improvement Plan.

BACKGROUND

A review of the proposed biennial budget for Fiscal Years (FYs) 2019/20 and 2020/21 for Regional Wastewater, Recycled Water, and Recharge Water funds and the proposed FY 2020-2029 Ten-Year Capital Improvement Plan (FY 2020-2029 TYCIP) was presented to the IEUA Board of Directors on April 17, the Regional Technical Committee on April 25, and the Regional Policy Committee on May 2, 2019. No changes were recommended be made to the proposed biennial budget or TYCIP.

Since then, a few changes have been made to the proposed biennial budget and TYCIP as staff has continued to finalize the plans. Following is a summary of the changes:

1. Total operating costs slightly increased by \$138,570 for the development and evaluation of SB88 to ensure compliance with regulations in the calculation of stormwater recharge. Chino Basin Watermaster shares 50 percent of the project cost.
2. Debt service payment decreased by \$225,000 due to changes in the RP-5 Expansion project schedule.
3. The proposed FY 2020-2029 TYCIP decreased by \$3 million from \$924 million to \$921 million due to an adjustment in the Chino Basin Program (CBP) budget timeline. Further details on the TYCIP changes are provided in the related section below.

The proposed biennial budget for FYs 2019/20 and 2020/21 and the Ten-Year Capital Improvement Plan (TYCIP) for FYs 2019/20 – 2028/29 is consistent with the Agency's long-term planning

Review of Proposed Biennial Budget for FYs 2019/20 and 2020/21 Regional Wastewater, and Recycled Water, and 2020 TYCIP

May 23, 2019/June 6, 2019

Page 2 of 26

documents, and the Board-adopted 2016 Business Goals of fiscal responsibility, work environment, water reliability, and wastewater management. Some of the key objectives of the proposed biennial budget include:



FYs 2019/20 and 2020/21 Key Budget Assumptions

Total operations and maintenance (O&M) expenses for all Agency funds are slightly higher than FY 2018/19 projected actuals by three percent. Operating revenues are based on the multi-year rates and fees adopted in 2015 for FYs 2015/16 – 2019/20 as summarized in Appendix Tables A3 – A6. Key assumptions for the proposed biennial budget for FYs 2019/20 and 2020/21 Regional Wastewater and Recycled Water funds are summarized on Appendix Table A2.

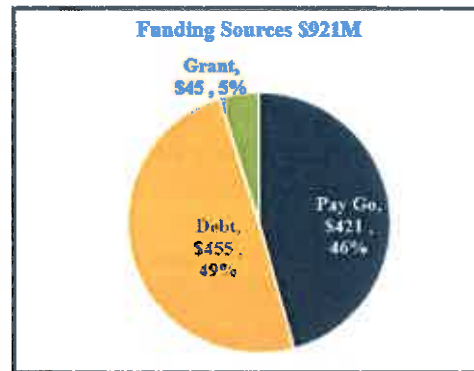
FY 2020 - 2029 Ten Year Capital Improvement Plan (TYCIP)

The FYs 2020 - 2029 TYCIP is consistent with the Business Goals of Water Reliability, Wastewater Management, and Environmental Stewardship. Capital projects outlined in the TYCIP support the initiatives defined in the Agency’s long-term planning documents, amongst them the Facilities Master Plan, Recycled Water Program Strategy, Energy Management Plan, and Asset Management Plan.

The proposed TYCIP of \$921 million planned over the next ten years includes critical replacement & rehabilitation (R&R) projects necessary to meet reliability and regulatory requirements. Also included are projects needed for improvement and expansion of existing facilities and infrastructure to meet future growth as forecasted by member agencies. Major projects include the RP-5 Expansion projects, the recycled water interties to the City of Pomona and Jurupa Community Services District (JCSD), and the RP-1 Capacity Recovery project which is slated to begin construction in 2029. The TYCIP is funded by a combination of pay-go, low interest SRF loans, grants, and contributions.

Proposed TYCIP and Funding Source

Program	Proposed TYCIP (\$ Millions)
Regional Wastewater Capital	\$513
Recycled Water	\$204
Regional Wastewater Operations & Maintenance	\$108
Non-Reclaimable Wastewater	\$31
Water Resources	\$25
Recharge Water	\$26
Administrative Services	\$14
Total	\$921



Regional Wastewater Program

In accordance with the Regional Sewage Service Contract (Regional Contract), the Regional Wastewater Program is comprised of two funds; the Regional Wastewater Capital Improvement (Wastewater Capital) fund and the Regional Wastewater Operations and Maintenance (Wastewater Operations) fund, components of each fund are shown below in Table 1.

Table 1: Regional Wastewater Program Components

Description	Wastewater Capital	Wastewater Operations
Accounts for the Agency's regional wastewater system's	Acquisitions, construction, improvement, and expansion.	Collection, treatment, and disposal of domestic sewage treatment for the contracting agencies, capital replacement and rehabilitation costs, and organics management.
Primary Revenues & Other Funding Sources	New *EDU connection fees, property taxes, debt proceeds, and grant receipts.	Monthly *EDU sewer rate, property taxes, and contract reimbursements.
Primary Expenses and Other Uses of Funds	Capital project costs, debt service, and program support.	O&M costs including; employment, chemicals, utilities, materials & supplies, etc.

*EDU = Equivalent dwelling Unit.

Regional Wastewater Capital Improvement Fund (Wastewater Capital Fund)

Total revenues for the Wastewater Capital fund are projected to increase by approximately thirteen percent in the proposed biennial budget. A key assumption is the continued pace of new development in the Agency's service area with 4,000 new equivalent dwelling unit (EDU) connections projected. This projection is lower than the member agencies forecast of 6,149 units. While the Agency applies member agencies growth forecasts to plan expansion of its facilities; a lower growth forecast is applied to revenue forecasts. This conservative approach ensures facilities are ready to meet the increased service demands from future growth and provides

flexibility in financing options. Based on the five-year rates adopted in June 2015, revenues from wastewater connection fees are estimated at \$27.8 million in FY 2019/20, and \$28.7 million in FY 2020/21 as summarized in Table 2. An increase of three percent in assessed valuations accounts for the higher property tax receipts projected over the next two fiscal years. Property tax receipts allocated to the Wastewater Capital fund first support annual debt service costs, then capital project costs. Also included are State Revolving Fund (SRF) loan proceeds of \$9.8 million in FY 2019/20, and \$80.3 million in FY 2020/21 to support construction of the RP-5 Expansion project.

Table 2: Wastewater Capital Fund Major Funding Sources

Major Funding Sources (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Wastewater Connection Fees	\$27.8	\$28.7	4,000 new EDU connections at an adopted fee of \$6,955 per EDU in FY 2019/20 and an estimated 3% increase in FY 2020/21 (to be determined by the 2019 Rate Study).
Property Tax	34.0	35.1	Annual allocation of total property taxes to the Wastewater Capital fund will continue at 65% to total property tax receipts.
Debt and Grant Proceeds	9.8	80.3	SRF loan proceeds for the RP-5 Expansion project.
Inter-Fund Transfers and Other	4.2	11.2	Interfund transfer from Wastewater Operations fund to support the *CCWRF Asset Management Improvement project and interest revenues.
Total	\$75.8	\$155.3	

*CCWRF- Carbon Canyon Water Recycling Facility

As reported in Table 3, a major expenditure in the Wastewater Capital fund is the capital investment plan (CIP) which accounts for about fifty percent of the proposed budget. A total of \$25.3 million in capital project costs is budgeted in FY 2019/20 and \$102.7 million in FY 2020/21. The proposed CIP budget includes construction of the RP-5 Expansion project slated to begin construction in 2020. Other major projects are summarized in Table 4.

Table 3: Wastewater Capital Fund Major Expenses and Other Uses of Funds

Major Uses of Funds (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Program Support	\$6.0	\$6.0	Includes employment, professional services, etc. in support of the (CIP)
Capital Improvement Plan (CIP)	25.3	102.7	Major capital projects summarized in Table 4
Debt Service	12.5	12.5	Includes principal and interest for the 2008B, 2010A and 2017A bonds, and SRF loan for RP-5 Expansion project
Other	12.3	12.0	Inter-fund transfers for capital and debt service support to other funds, including cost share of the Water Quality Lab project budgeted in the Wastewater Operations fund.
Total	\$56.1	\$133.2	

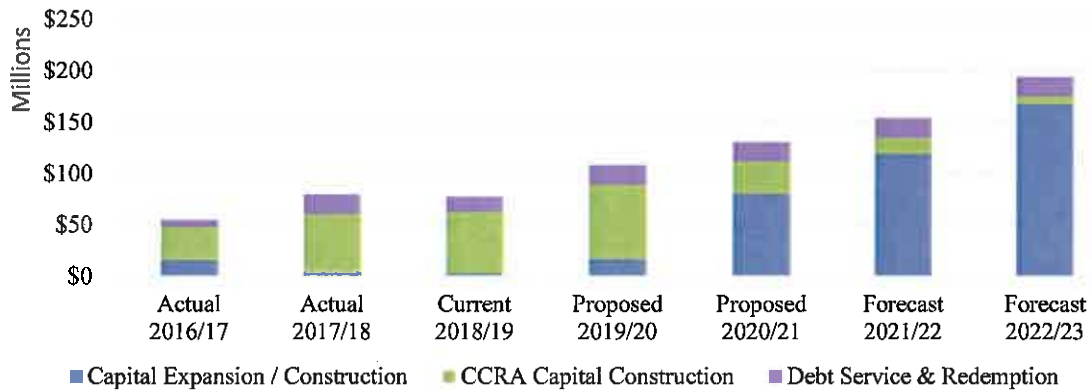
Table 4: Wastewater Capital Fund Major Capital Projects

Major Projects (\$Millions)	FY 2019/20	FY 2020/21	FY 2021/22 to FY 2023/24	TYCIP Total
RP-5 Expansion	\$11.0	\$90.0	\$119.0	\$304.9
*CCWRF Asset Management Improvements	6.8	7.5	6.0	26.9
RP-1 Flare Improvements	5.0	-	-	5.0
Collection System Upgrades	0.5	0.5	1.5	5.0
RP-1 Solids & Liquid Treatment Expansion	0.2	-	-	80.5
All Other Capital Projects	1.8	4.7	100.9	92.3
Total	\$25.3	\$102.7	\$227.4	\$514.6

*CCWRF- Carbon Canyon Water Recycling Facility

The Wastewater Capital ending fund balance for FY 2019/20 is estimated at \$108.3 million, and \$130.3 million for FY 2020/21 as shown in Figure 1. The estimated increase in FY 2019/20 is due to loan proceeds issued to support construction of the RP-5 Expansion project scheduled to begin in 2020.

Figure 1: Wastewater Capital Fund Reserve by Type



Regional Wastewater Operations & Maintenance Fund (Wastewater Operations)

Total revenues and other funding sources in the Wastewater Operations fund are estimated at \$85.7 million and \$87.6 million for FYs 2019/20 and 2020/21, respectively. This includes \$2.4 million of grant receipts for the South Archibald Trichloroethylene (TCE) Plume Clean-Up project. Table 5 summarizes the Wastewater Operations fund proposed major revenues and other funding sources for FYs 2019/20 and 2020/21.

Table 5: Wastewater Operations Fund Major Revenues and Other Funding Sources

Major Funding Sources (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Monthly EDU	\$67.8	\$70.0	Includes EDU rate of \$20.00 in FY 2019/20 and 3% increase in FY 2020/21 (to be determined by the 2019 Rate Study).
Grants	1.3	1.1	Grant proceeds for the South Archibald TCE Plume Clean-Up project.
Property Tax	9.5	9.5	Maintain the \$9.5 million allocation as adopted by the Board on June 15, 2016.
Cost Reimbursement from IERCA*	4.1	4.2	IEUA operation of the IERCA composter.
Other	3.0	2.8	Includes interest revenue, contract cost reimbursement, and lease revenue.
Total	\$85.7	\$87.6	

*Inland Empire Regional Composting Authority

Major expenses in the Wastewater Operations fund include operating and maintenance expenses, capital R&R project costs, organic management activities, and debt service costs. Total expenses and other uses of funds are \$96.2 million in FY 2019/20 and \$99.9 million in FY 2020/21. Proposed expenses and other uses of funds for FYs 2019/20 and 2020/21 are shown in Table 6.

Table 6: Wastewater Operations Fund Major Expenses & Other Uses of Funds

Major Uses of Funds (SMillions)	FY 2019/20	FY 2020/21	Key Assumptions
Operations & Maintenance (O&M)	\$62.2	\$63.6	Includes employment, chemicals utilities, professional and contract labor costs, and other O&M costs
O&M project costs	5.8	6.4	Includes the South Archibald TCE Plume Clean-Up project
Capital Rehabilitation & Replacement (R&R) project costs	25.9	21.0	Based on the TYCIP
Debt Service	1.4	1.4	Includes principal and interest for the 2017A bonds and SRF loan for the water quality laboratory
Other	0.9	7.5	Inter-fund transfers for capital project support to the Administrative Services and share of the RP-5 Expansion project and CCWRF Asset Management Improvement project
Total	\$96.2	\$99.9	

A total of \$25.9 million in capital project costs is budgeted in FY 2019/20 and \$21.0 million is projected for FY 2020/21. Major capital projects are listed in Table 7.

Table 7: Wastewater Operations Fund Major Capital Projects

Major Projects (SMillions)	FY 2019/20	FY 2020/21	FY 2021/22 to FY 2023/24	TYCIP Total
RP-1 Mechanical Restoration Upgrades	\$8.9	\$1.0		\$9.9
RP-4 Influent Screen Replacement	2.9			2.9
RP-1 Primary Effluent Conveyance Improvement	2.7			2.7
RSS Haven Avenue Repair & Replace from Airport to Mission	2.0	4.0		6.0
SCADA Enterprise System	2.0	3.5	3.0	8.5
RP-4 Process Improvements	1.9	1.0	3.2	6.1
All Other Capital Projects	5.5	11.5	17.5	71.7
Total	\$25.9	\$21.0	\$23.7	\$107.8

Cost of Service Review

In March 2015, the Board adopted monthly sewage EDU rates for five years (FYs 2015/16 – 2019/20) as summarized in Table 8.

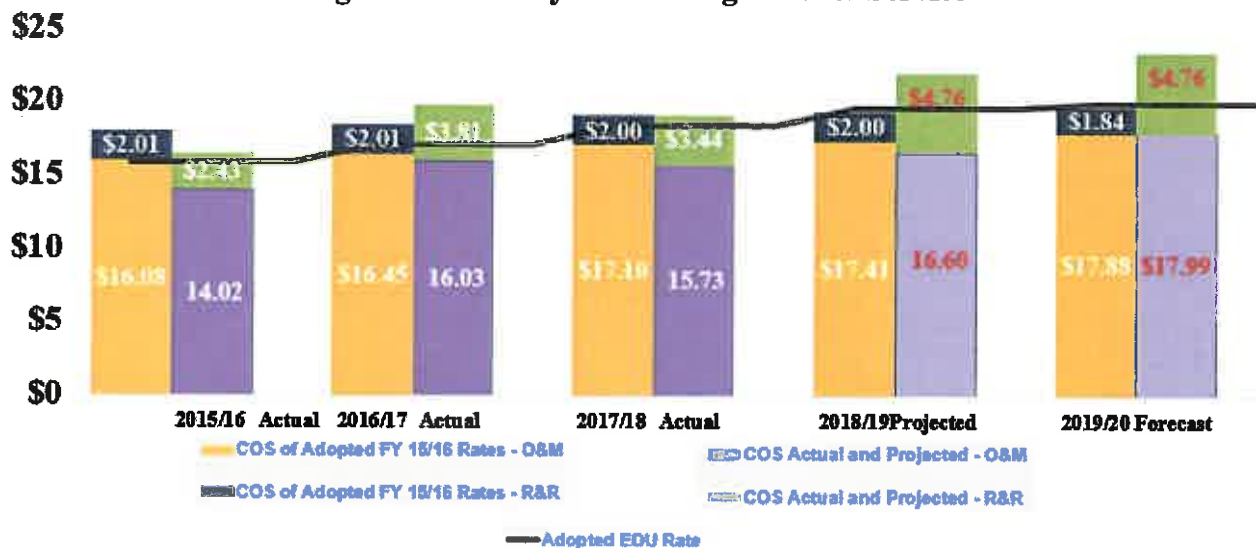
Table 8: Adopted Monthly EDU Sewage Rates

Rate Description	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
EDU Monthly Rate	\$15.89	\$17.14	\$18.39	\$19.59	\$20.00
Effective Date	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19

The key objective of the multi-year rates was to establish a rate that fully recovered the cost of providing the service. Historically, property taxes have been used to support costs not recovered by rates. FY 2019/20 is the last year of the multi-year rates adopted in 2015. A rate study approved by the Board in January 2019 and currently underway will assess and evaluate the wastewater and water connection fees and the monthly service charges to ensure they appropriately recover related program cost of service, as well as support the Agency’s long-term capital improvement plan. Part of the rate study also includes evaluation of the Chino Basin program (CBP) estimated impact to rates and fees.

Figure 2 shows the projected cost of service for the Wastewater Operations fund when the FY 2015/16 budget was adopted. The projected cost of service included two components: O&M (yellow) and R&R project (purple) costs. The R&R component was calculated using an average of ten years cost for recurring projects and an average of five years for non-recurring projects, with the objective to “smooth” the variability of these type of costs from year to year. Also included is a comparison of the actual cost of service for FYs 2015/16 – 2017/18, projected actuals for FY 2018/19 and updated forecast for FY 2019/20. Breakdown is provided to show the different components included in the original 2015 calculation: O&M expenses (purple) and R&R projects (green). Not included in the projected cost of service are the contributions to the Wastewater Capital fund for the operations share of the RP-5 Expansion project.

Figure 2: Monthly EDU Sewage Cost of Service

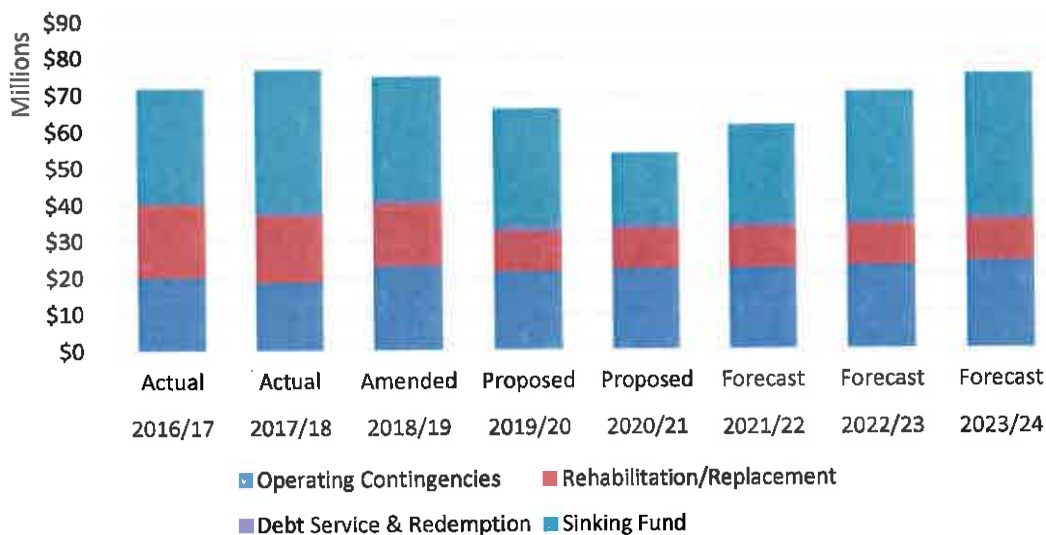


Fiscal year 2015/16 was the first of the five-year rates. As reported, actual cost of service starting in FY 2015/16 through FY 2017/18 exceeded the adopted rates. The updated cost of service

projections for FYs 2018/19 through 2019/20 exceed the 2015 forecasts, primarily due to the higher R&R projects costs than estimated in 2015.

The projected Wastewater Operations fund ending fund balance is estimated at \$65.9 million and \$53.6 million for FYs 2019/20 and 2020/21, respectively. The projected decrease in fund balance is due to contributions to the Wastewater Capital fund for the Wastewater Operations fund share of the RP-5 Expansion and planned R&R projects, such as the CCWRF Asset Management and Improvements project costs.

Figure 3: Wastewater Operations Fund Reserves by Type



Recycled Water Fund

A continued key initiative for the Agency is optimizing the beneficial reuse of recycled water and provide a cost effective and sustainable alternative to imported water for the region. Included in IEUA’s long term planning documents is the continued expansion and improvement of the regional recycled water distribution system and groundwater recharge facilities. The Regional Recycled Water Distribution System (RRWDS) consists of over 89 miles of pipeline, four reservoir storage tanks with storage capacity between two and five million gallons, and multiple pump stations. Currently there are over 800 user connections to the RRWDS.

Total regional recycled water acre feet (AF) deliveries in FY 2019/20 and FY 2020/21 are projected to be 35,800 and 36,000 generating revenues of \$18.1 million and \$18.8 million, respectively. Recycled water deliveries for direct use have declined in the recent years primarily due to trends in decreased agricultural usage due to land conversions from farm sites to developed parcels.

Water connection fee revenues collected to support capital investments in the Agency’s regional water distribution system for FY 2019/20 are projected to be \$7.9 million and \$8.0 million for FY 2020/21. Water connection fee rates are set per meter equivalent unit (MEU). One MEU is

equivalent to a 5/8" and 3/4" meter size (standard residential meter size). Revenues and other funding sources of the Recycled Water fund are summarized in Table 9.

Table 9: Recycled Water Fund Major Revenues & Other Funding Sources

Major Funding Sources (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Recycled Water Sales	\$18.1	\$18.8	FY 2019/20 adopted direct rate of \$490/AF and Groundwater Recharge (GWR) rate of \$550/AF. FY 2020/21 rates to be determined by 2019 Rate Study.
Water Connection Fees	7.9	8.0	FY 2019/20 adopted fee is \$1,684/MEU with new connections of 4,700 and 4,630 for FY 2020/21. Fee for FY 2020/21 to be determined by 2019 Rate Study.
Property Tax	2.2	2.2	Maintain \$2.2 million allocation as approved by the Board of Directors in June 15, 2016.
State Revolving Fund Loan	8.1	5.2	SRF loan proceeds include funds for the JCSD* and City of Pomona recycled water intertie connections, and various other capital projects.
Other	12.5	7.9	Grants and capital reimbursements to support groundwater basin recharge and recycled water connection projects, interest and inter-fund debt service support for the 2017A Revenue bonds.
Total	\$48.8	\$42.1	

*Jurupa Community Services District

Major expenses for the Recycled Water fund include capital project costs (see Table 11), debt service, and operating costs. Capital expenditures in FY 2019/20 and FY 2020/21 are projected to be \$18.7 and \$23.8 million, respectively. Operating costs include employment, pumping costs, O&M projects, and a portion of the groundwater recharge O&M costs not reimbursed by Chino Basin Watermaster (CBWM). The projected biennial expense and other uses of funds for the Recycled Water fund are summarized in Table 10.

Table 10: Recycled Water Fund Major Expenses & Other Uses of Funds

Major Uses of Funds (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Operating Expenses	\$11.7	\$11.6	Includes employment, professional fees, materials and supplies, pumping costs, a portion of the groundwater recharge operations expense, and O&M project costs.
Capital Improvement Plan (CIP)	18.7	23.8	See Table 11 for a summary of major capital projects.
Debt Service	11.0	12.1	Includes principal and interest costs for outstanding bonds, SRF loans, and interfund loan repayments to the Non-Reclaimable Wastewater fund.
Other	3.0	1.7	Inter-fund transfers for water connection fees in support of the RRWDS*, and capital and operating support to the Administrative Services and Recharge Water funds.
Total	\$44.4	\$49.2	

**Regional Recycled Water Distribution System*

Annual debt service costs include principal, interest, and financial fees for SRF loans, 2017A Revenue Bonds and interfund loan repayment to the Non-Reclaimable (NRW) fund. Debt service is estimated to be \$11.0 million in FY 2019/20 and \$12.1 million in FY 2020/21. The annual interfund loan repayment, which began in FY 2018/19, will first be applied to the \$12 million due to the NRW fund. Payments towards the \$13.5 million due to the Regional Wastewater Capital fund are budgeted to begin in FY 2022/23. The final re-payment of inter-fund loans is scheduled for FY 2024/25. A summary of inter-fund loans and repayment schedules is provided in Appendix A7.

Table 11: Recycled Water Fund Major Capital Projects*

Major Projects (\$Millions)	FY 2019/20	FY 2020/21	FY 2021/22 to FY 2023/24	TYCIP Total
Recycled Water Intertie to City of Pomona	\$2.0	\$3.0	\$61.0	\$80.0
Recycled Water Intertie to Jurupa Community Services District	1.0	18.5	11.8	31.3
Baseline Recycled Water Pipeline Extension	5.7	0	0	5.7
RP-1 1158 Recycled Water Pump Station Upgrades	4.7	0	0	4.7
Napa Lateral (San Bernardino Speedway, CSI, Prologis)	1.6	0	0	1.6
All Other Capital Projects	3.7	2.3	10.8	81.1
Total	\$18.7	\$23.8	\$83.6	\$204.4

*See attached memo.

Cost of Service Review

In May 2015, the Board adopted recycled water Acre Foot (AF) service rates for five years (FYs 2015/16 – 2019/20), as summarized in Table 12.

Table 12: Adopted Recycled Water Rates

Rate Description	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Direct Delivery/Acre Foot (AF)	\$350	\$410	\$470	\$480	\$490
Groundwater Recharge/Acre Foot (AF)	\$410	\$470	\$530	\$540	\$550
Effective Date	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19
AF Deliveries	35,150	37,100	37,300	42,950	45,770

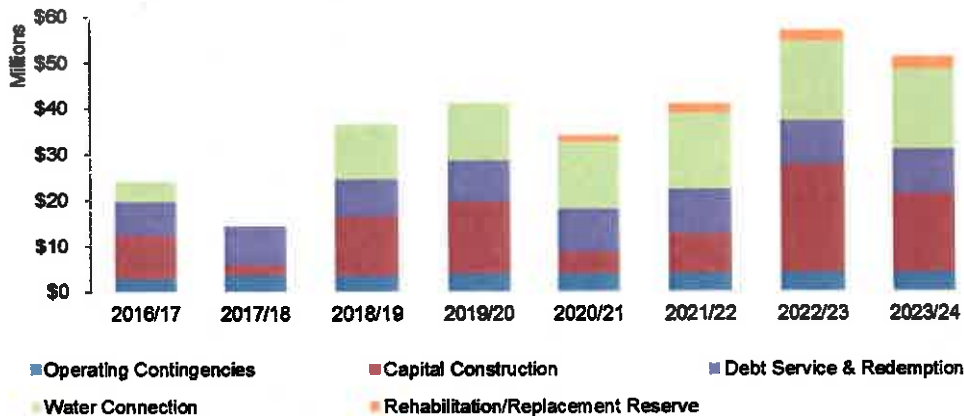
A key objective of the multi-year rates was to establish a rate that fully recovered the cost of providing the service. Figure 4 is a comparison of the cost of service projections (dark blue) as adopted in FY2015/16 to the actual COS and current updated projections (green). Included in the cost of service AF calculation are operational and maintenance (O&M) costs, project costs less any grants or contributions, and debt service costs which is partially offset by property tax receipts and interfund transfers from the Wastewater Capital fund. As shown in Figure 4 the estimated cost of service of \$603/AF in FY 2019/20 is projected to exceed the adopted rate of \$490/AF. A key driver for the higher projected AF cost of service rate are lower recycled water deliveries. Projections and underlying assumptions are reviewed and updated each year as part of the budget process and 2019 Rate Study currently underway.

Figure 4: Recycled Water Cost of Service



The Recycled Water fund projected ending fund balances for FY 2019/20 and FY 2020/21 is \$41.1 million and \$34.0 million, respectively. The projected decrease in fund reserves is primarily due to higher CIP costs planned over the next two years which are supported by a combination of SRF loans, grants, and pay-go funding. Projected ending fund balances are reported below in Figure 5.

Figure 5: Recycled Water Fund Reserve by Type



Recharge Water Fund

The Recharge Water (RW) fund accounts for the revenues and expenses associated with groundwater recharge (GWR) operations and maintenance (O&M) through joint efforts with Chino Basin Watermaster (CBWM), Chino Basin Water Conservation District (CBWCD), and the San Bernardino County Flood Control District (SBCFCD). Operating expenses include general basin maintenance and/or restoration, groundwater administration (e.g. labor, tools, and supplies), contracted services (e.g. weeding and vector control), compliance reporting, and environmental documentation for permit compliance.

Total budgeted revenues, other funding sources, and inter-fund contributions and support for FYs 2019/20 and 2020/21 are \$9.5 million and \$18.6 million, respectively. The budget is comprised of reimbursements from CBWM for groundwater recharge facilities' O&M, capital project support, and debt service costs. The remaining balance will be contributed by IEUA for its portion of capital and debt service (50/50 share with CBWM), and pro-rata share of O&M costs. Table 13 is a summary of revenues and other funding sources.

Table 13: Recharge Water Fund Revenues and Other Funding Sources

Major Funding Sources (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Watermaster Operating Cost Reimbursement	\$1.2	\$1.1	Reimbursement of ground water recharge O&M and facilities.
Contract Cost Reimbursement	0.1	0.0	Reimbursement from CBWM* for O&M projects.
Watermaster Debt Service	0.6	0.7	Reimbursement for CBWM share of debt service costs for the 2008B bonds – estimated interest rate is 4% for both fiscal years.
State Revolving Fund (SRF) Loan	1.3	3.8	Loan proceeds to support Recharge Mater Plan Update (RMPU) projects.
Grants	4.8	11.5	Grant proceeds to support RMPU projects.
Other	1.5	1.5	Interest revenue and inter-fund transfer for the Agency's operating support for pro-rata share of groundwater basin maintenance, capital projects, non-reimbursable labor, and debt service from the Recycled Water and Wastewater Capital funds.
Total	\$9.5	\$18.6	

*Chino Basin Watermaster

Total Recharge Water program expenses for FYs 2019/20 and 2020/21 are \$8.2 million, and \$16.3 million, respectively. The key expenses include capital costs related to the Recharge Master Plan Update (RMPU) projects, debt service costs for the Chino Basin Facilities Improvement Project (CBFIP) 2008B Variable Rate Revenue bonds, and groundwater O&M costs.

The FYs 2019/20 and 2020/21 groundwater O&M budget, shown in Table 14, includes utilities and general groundwater basin maintenance costs for infiltration, restoration and slope repairs on the following groundwater basins: Jurupa, San Sevaine, Turner, and Victoria.

Table 14: Recharge Water Major Expenses & Other Uses of Funds

Major Uses of Funds (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Operating Expense	\$1.9	\$1.8	Program support and maintenance, utilities, specialty O&M, Watermaster and SBCFCD costs, and IEUA's pro-rata share.
Debt Service	1.3	1.3	Principal, interest and financial expense for the bonds.
Capital Improvement Plan (CIP)	5.0	13.2	Capital project costs shared with Watermaster for RMPU projects.
Total	\$8.2	\$16.3	

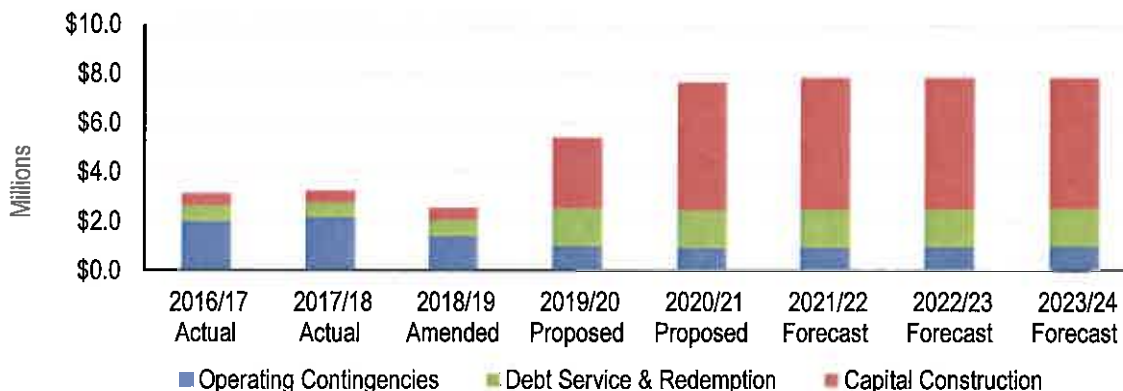
The FY 2019/20 and 2020/21 capital project costs for the Recharge Capital Program mainly involve modifications, improvements, and refurbishment at selected basins for \$5.0 million and \$13.2 million, respectively. CBWM has updated the Recharge Master Plan, and Agency staff is taking the lead in the execution and administration of the capital projects. Table 15 is a summary of major projects in the Recharge Water program and respective cost sharing ratio between IEUA and CBWM.

Table 15: Recharge Water Fund Capital Projects and Cost Sharing

Major Projects (\$Millions)	FY 2019/20	FY 2020/21	TYCIP Total	IEUA Cost Share	CBWM Cost Share
Recharge Master Plan Update	\$5.0	\$9.8	\$14.8	0%	100% of pay-go and debt service
Lower Day Recharge Master Plan Update	0	3.4	3.4	0%	100% of pay-go and debt service
Infrastructure Replacement	0	0.1	0.1	100%	0%
Asset Management	0	0	8.2	50%	50%
Total	\$5.0	\$13.2	\$26.5		

The ending fund balance for FYs 2019/20 and 2020/21 is projected to be \$5.4 million and \$7.7 million, respectively (Figure 6). Throughout the subsequent years, ending fund balances are estimated to average \$7.9 million based on current assumptions to leverage SRF loan and grant proceeds to finance RMPU capital projects.

Figure 6: Recharge Water Fund Reserve by Type



Conclusion

Over the next two fiscal years, key areas of focus will be execution of critical expansion and R&R capital projects, completion of the 2019 Rate Study to identify necessary future rate adjustments, implementation of succession planning for timely recruitment of critical personnel to ensure the transfer for knowledge and expertise to the next generation of Agency employees, and developing a financing strategy to support CIP. Another key initiative is the continued evaluation of the CBP with regional stakeholders to secure conditional funding of \$207 million through the California Water Commission Water Storage Investment Program by 2021. Achieving these objectives will ensure the Agency is positioned to continue its commitment to delivering essential high-quality services in a cost-effective manner and supporting the region’s economic development.

Additional Background Information

Appendix A – Sources and Uses of Funds: Regional Wastewater Capital, Regional Wastewater O&M, Recycled Water and Recharge Water funds.

Appendix Table A1 – Acronyms

Appendix Table A2 – Key assumptions for FYs 2019/20 and 2020/21 budget

Appendix Table A3 – Wastewater connection fees

Appendix Table A4 – EDU volumetric rates

Appendix Table A5 – Recycled water rates

Appendix Table A6 – Water connection fees

Appendix Table A7 – Inter-fund loan repayment schedule

Appendix Table A8 – Major projects in FYs 2017/18 and 2018/19, and Total Ten-Year Budget

Appendix A

**INLAND EMPIRE UTILITIES AGENCY
 FISCAL YEARS 2019/20 and 2020/21 BIENNIAL BUDGET
 REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	Actual	Actual	Projected Actual	Proposed Budget	Proposed Budget		Forecast	
REVENUES								
Interest Revenue	\$0.2	\$0.5	\$0.5	\$0.8	\$0.8	\$0.6	\$0.7	\$0.8
TOTAL REVENUES	\$0.2	\$0.5	\$0.5	\$0.8	\$0.8	\$0.6	\$0.7	\$0.8
OTHER FINANCING SOURCES								
Property Tax- Debt and Capital	\$29.7	\$31.5	\$32.7	\$34.0	\$35.1	\$36.1	\$37.2	\$37.9
Regional System Connection Fees	30.5	32.8	26.5	27.8	28.7	29.5	26.6	27.4
State Loans	-	0.5	-	9.8	80.3	103.7	56.1	29.2
Sale of Assets	-	1.3	-	-	-	-	-	-
Other Revenues	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loan Transfer from Internal Fund	-	-	-	-	-	-	2.0	6.0
TOTAL OTHER FINANCING SOURCES	\$60.3	\$66.2	\$59.2	\$71.7	\$144.0	\$169.3	\$121.8	\$100.5
EXPENSES								
Employment Expenses	\$3.8	\$3.8	\$4.1	\$3.6	\$3.7	\$4.0	\$4.1	\$4.3
Contract Work/Special Projects	1.1	0.6	0.1	0.1	-	-	-	-
Operating Fees	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Professional Fees and Services	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.4
Other Expenses	0.5	0.9	1.4	1.5	1.5	1.6	1.6	1.6
TOTAL EXPENSES	\$6.1	\$6.0	\$6.2	\$6.0	\$6.0	\$6.3	\$6.5	\$6.7
CAPITAL PROGRAM								
Work In Progress	\$11.4	\$20.3	\$27.4	\$24.8	\$102.2	\$125.1	\$66.2	\$36.1
IERCA investment	-	-	0.5	0.5	0.5	-	-	-
TOTAL CAPITAL PROGRAM	\$11.4	\$20.3	\$27.9	\$25.3	\$102.7	\$125.1	\$66.2	\$36.1
DEBT SERVICE								
Financial Expenses	\$0.3	\$0.1	\$0.1	\$0.1	\$0.3	\$0.1	\$0.1	\$0.1
Interest	4.7	3.0	2.7	3.0	2.7	2.3	2.0	5.1
Principal	57.3	8.8	8.9	9.4	9.6	10.1	5.1	8.5
Short Term Inter-Fund Loan	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE	\$62.3	\$11.9	\$11.7	\$12.5	\$12.5	\$12.5	\$7.3	\$13.7
TRANSFERS IN (OUT)								
Capital Contribution	(\$0.3)	\$0.1	\$4.7	\$3.4	\$10.4	\$3.9	\$2.4	\$1.4
Debt Service	(0.9)	(2.8)	(2.9)	(3.3)	(3.3)	(3.4)	(3.4)	(1.2)
Capital - Connection Fees Allocation	(1.0)	(0.8)	(6.8)	(9.0)	(8.7)	(2.1)	(2.7)	(4.0)
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$2.2)	(\$3.6)	(\$4.9)	(\$8.9)	(\$1.6)	(\$1.6)	(\$3.7)	(\$3.8)
FUND BALANCE								
Net Income (Loss)	(\$21.4)	\$24.8	\$9.0	\$19.8	\$22.0	\$24.4	\$38.9	\$41.0
Beginning Fund Balance July 01	\$76.3	\$54.8	\$79.6	\$88.6	\$108.7	\$130.3	\$154.7	\$193.6
ENDING FUND BALANCE AT JUNE 30*	\$54.8	\$79.6	\$88.6	\$108.3	\$130.3	\$154.7	\$193.6	\$234.7
RESERVE BALANCE SUMMARY								
Capital Construction	\$15.7	\$4.6	\$2.6	\$16.6	\$79.9	\$119.8	\$167.0	\$210.6
CCRA Capital Construction	\$31.7	\$55.6	\$70.1	\$72.3	\$30.9	\$15.4	\$7.0	\$4.4
Debt Service & Redemption	\$7.4	\$19.5	\$15.9	\$19.5	\$19.5	\$19.5	\$19.6	\$19.6
ENDING BALANCE AT JUNE 30	\$54.8	\$79.6	\$88.6	\$108.3	\$130.3	\$154.7	\$193.6	\$234.7

*Numbers may not total due to rounding

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INLAND EMPIRE UTILITIES AGENCY
 FISCAL YEARS 2019/20 AND 2020/21 BIENNIAL BUDGET
 REGIONAL WASTEWATER OPERATIONS & MAINTENANCE FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	ACTUAL	ACTUAL	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
User Charges	\$56,597	\$62,144	\$66,663	\$64,155	\$70,366	\$72,653	\$75,020	\$77,466
Cost Reimbursement JPA	3,675	3,981	3,763	3,654	4,227	4,396	4,572	4,755
Contract Cost Reimbursement	70	64	66	66	66	66	66	66
Interest Revenue	538	965	1,800	1,770	1,300	1,200	1,300	1,500
TOTAL REVENUES	\$60,881	\$67,155	\$72,293	\$73,965	\$75,959	\$78,315	\$80,958	\$83,787
OTHER FINANCING SOURCES								
Property Tax Revenues - Debt/Capital/Reserves	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549
State Loans	7,531	11,310	2,239	0	0	0	0	0
Grants	11,780	3,142	3,011	1,260	1,135	0	0	0
Other Revenues	611	248	601	959	909	909	909	909
TOTAL OTHER FINANCING SOURCES	\$29,470	\$24,248	\$15,400	\$11,718	\$11,593	\$10,458	\$10,458	\$10,458
EXPENSES								
Employment Expenses	\$32,355	\$28,718	\$32,321	\$33,445	\$35,261	\$37,433	\$39,003	\$40,495
Contract Work/Special Projects	11,048	7,544	7,787	5,869	6,425	4,015	3,940	5,215
Utilities	5,329	5,806	6,182	5,622	6,266	6,423	6,584	6,751
Operating Fees	1,443	1,519	1,752	1,453	2,015	2,080	2,143	2,206
Chemicals	4,180	3,880	4,086	5,767	5,013	5,163	5,318	5,478
Professional Fees and Services	2,252	3,587	3,667	4,773	4,226	4,353	4,437	4,582
Biosolids Recycling	4,007	4,044	4,329	4,354	4,515	4,651	4,790	4,934
Materials & Supplies	2,199	1,992	2,020	2,018	2,064	2,126	2,190	2,256
Other Expenses	887	2,621	3,773	4,277	4,231	4,322	4,422	4,524
TOTAL EXPENSES	\$63,684	\$59,710	\$65,922	\$66,934	\$70,020	\$70,570	\$72,831	\$76,444
CAPITAL PROGRAM								
Capital Construction & Expansion (WIP)	\$12,557	\$23,781	\$21,754	\$15,908	\$21,047	\$6,726	\$6,775	\$10,246
TOTAL CAPITAL PROGRAM	\$12,557	\$23,781	\$21,754	\$15,908	\$21,047	\$6,726	\$6,775	\$10,246
DEBT SERVICE								
Financial Expenses	\$16	(\$26)	\$0	\$0	\$0	\$1	\$0	\$0
Interest	200	179	175	255	641	620	597	573
Principal	0	172	177	756	771	791	814	857
TOTAL DEBT SERVICE	\$216	\$325	\$352	\$1,011	\$1,412	\$1,412	\$1,412	\$1,430
TRANSFERS IN (OUT)								
Capital Contribution	(\$181)	(\$1,826)	(\$5,020)	(\$5,978)	(\$11,010)	(\$4,226)	(\$2,702)	(\$2,011)
Debt Service				123	123	123	123	(2,146)
Operation support to GG for Non-Capital Projects		(649)	(508)	(2,179)	(1,307)	(279)	(1,016)	(705)
Capital - Connection Fees Allocation		0	5,454	5,717	4,785	1,879	2,255	3,599
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$181)	(\$2,475)	(\$74)	(\$577)	(\$7,409)	(\$2,502)	(\$1,339)	(\$1,263)
FUND BALANCE								
Net Income (Loss)	\$13,712	\$5,113	(\$409)	\$16,590	(\$12,335)	\$7,564	\$9,058	\$4,862
Beginning Fund Balance July 01	58,012	71,724	76,837	70,415	65,909	53,574	61,137	70,195
ENDING FUND BALANCE JUNE 30*	\$71,724	\$76,837	\$76,428	\$66,900	\$53,574	\$61,137	\$70,195	\$75,057
RESERVE BALANCE SUMMARY								
Operating Contingies	\$20,038	\$18,590	\$20,720	\$21,423	\$31,931	\$22,058	\$22,753	\$23,896
Rehabilitation/Replacement	19,624	18,094	10,783	10,783	10,783	10,783	10,783	10,783
Debt Service	787	1,204	1,412	1,412	1,412	1,412	1,430	1,430
Sinking Fund	31,275	38,948	43,513	32,390	19,448	26,884	35,228	38,947
ENDING BALANCE AT JUNE 30	\$71,724	\$76,837	\$76,428	\$66,900	\$53,574	\$61,137	\$70,195	\$75,057

* Numbers may not total due to rounding

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INLAND EMPIRE UTILITIES AGENCY
 FISCAL YEARS 2019/20 and 2020/21 BIENNIAL BUDGET
 RECYCLED WATER FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2017/2018	2018/2019	2018/2019	2019/2020	2020/2021	2021/2022	2022/23	2023/24
	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
Interest Revenue	\$371	\$577	577	\$983	\$949	\$945	\$1,230	\$1,360
Water Sales	16,878	15,890	15,890	18,120	16,752	19,408	20,445	21,037
TOTAL REVENUES	\$17,343	\$16,467	\$16,467	\$19,103	\$19,701	\$20,353	\$21,675	\$22,397
OTHER FINANCING SOURCES								
Property Tax - Debt/Capital	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170
Connection Fees	7,889	6,416	6,416	7,915	8,032	8,025	8,019	8,011
State Loans	3,418	7,909	1,503	6,153	5,220	7,240	22,469	23,100
Grants	2,164	6,710	4,503	7,032	3,750	1,875	3,500	6,250
Capital Contract Reimbursement	202	72	663	2,075	702	6,824	7,220	3,473
Other Revenues	12	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$15,855	\$23,277	\$15,255	\$27,345	\$19,875	\$26,134	\$43,378	\$43,004
EXPENSES								
Employment Expenses	\$4,084	\$4,248	\$4,416	\$5,184	\$5,370	\$5,701	\$5,940	\$6,168
Contract Work/Special Projects	1,019	1,982	1,131	1,780	1,365	1,063	995	975
Utilities	1,833	2,028	2,512	2,801	2,885	2,971	3,061	3,152
Operating Fees	3	10	6	10	10	11	11	11
Chemicals	0	0	0	0	0	0	0	0
Professional Fees and Services	481	884	685	666	632	669	741	729
Office and Administrative expenses	2	3	3	3	3	3	3	3
Materials & Supplies	154	203	252	159	174	185	199	216
Other Expenses	728	934	980	1,132	1,122	1,146	1,170	1,197
TOTAL EXPENSES	\$8,304	\$10,293	\$9,983	\$11,743	\$11,562	\$11,750	\$12,121	\$12,452
CAPITAL PROGRAM								
Work In Progress	\$7,439	\$16,237	\$8,213	\$18,727	\$23,800	\$16,300	\$23,305	\$44,000
TOTAL CAPITAL PROGRAM	\$7,439	\$16,237	\$8,213	\$18,727	\$23,800	\$16,300	\$23,305	\$44,000
DEBT SERVICE								
Financial Expenses	\$1	\$3	\$3	\$3	\$3	\$4	\$3	\$3
Interest	2,715	2,657	2,800	2,657	2,881	2,846	2,877	2,577
Principal	5,159	5,256	5,256	5,367	6,232	6,625	7,083	7,381
Short Term Inter-Fund Loan	0	3,000	3,000	3,000	3,000	3,000	5,000	6,000
TOTAL DEBT SERVICE	\$7,875	\$10,916	\$11,059	\$11,027	\$12,116	\$12,475	\$14,963	\$15,961
TRANSFERS IN (OUT)								
Capital Contribution	(\$80)	(\$1,052)	(\$1,020)	(\$88)	(\$21)	(\$13)	(\$21)	(\$134)
Debt Service	2,397	2,400	2,400	2,400	2,542	2,540	2,541	2,669
Operation support	(464)	(709)	(680)	(836)	(755)	(759)	(817)	(835)
Water Connection Allocation	(390)	(1,652)	(1,652)	(2,021)	(950)	(855)	(297)	(316)
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,463	(\$1,014)	(\$951)	(\$545)	\$816	\$914	\$1,406	\$1,384
FUND BALANCE								
Net Income (Loss)	\$11,043.26	\$1,284.32	\$1,516.28	\$4,405.15	(\$7,086.16)	\$6,874.61	\$16,070.83	(\$5,628.71)
Beginning Fund Balance July 01	24,092	35,135	35,135	35,651	41,056	33,970	40,845	56,916
ENDING BALANCE AT JUNE 30	\$35,135	\$36,419	\$36,651	\$41,056	\$33,970	\$40,845	\$56,916	\$51,287
RESERVE BALANCE SUMMARY								
Operating Contingency	\$2,767.89	\$3,431.10	\$3,431.10	\$3,914.48	\$3,853.94	\$3,916.81	\$4,040.19	\$4,150.60
Capital Construction	12,831	12,702	12,934	15,511	4,664	8,456	23,284	16,947
Water Connection	9,548	12,259	12,259	12,316	14,478	16,509	17,130	17,462
Debt Service	9,988	8,027	8,027	9,116	9,475	9,963	9,961	9,726
ENDING BALANCE AT JUNE 30	\$35,135	\$36,419	\$36,651	\$41,056	\$33,970	\$40,845	\$56,916	\$51,287

* Numbers may not total due to rounding

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INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2019/20 AND 2020/21 BIENNIAL BUDGET
RECHARGE WATER FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2016/2017	2017/2018	2018/2019	2019/2020	2019/2020	2021/2022	2022/2023	2023/2024
	ACTUAL	ACTUAL	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
Cost Reimbursement from JPA	\$948	\$864	\$1,137	\$1,237	\$1,076	\$1,108	\$1,141	\$1,175
Contract Cost reimbursement	(10)	0	1,544	69	0	0	0	0
Interest Revenue	16	23	85	115	160	190	195	195
TOTAL REVENUES	\$954	\$888	\$2,766	\$1,421	\$1,236	\$1,298	\$1,336	\$1,370
OTHER FINANCING SOURCES								
State Loans	\$0	\$0	\$0	\$1,356	\$3,764	\$143	\$0	\$0
Grants	(4)	0	452	4845	11,521	0	0	0
Capital Contract Reimbursement	1,117	2,280	1,026	565	662	937	1,059	1,188
Other Revenues	0	25	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$1,113	\$2,305	\$1,478	\$6,665	\$15,947	\$1,080	\$1,059	\$1,188
EXPENSES								
Employment Expenses	\$565	\$657	\$596	\$653	\$677	\$718	\$748	\$777
Contract Work/Special Projects	353	25	1,544	139	0	0	0	0
Utilities	82	99	75	68	70	72	74	76
Operating Fees	5	7	12	13	8	8	8	8
Professional Fees and Services	801	591	1,171	934	859	885	911	939
Office and Administrative expenses	9	10	15	15	16	16	17	17
Expense Allocation	65	0	47	53	52	54	55	56
Materials & Supplies	69	83	90	98	101	104	107	111
Other Expenses	15	0	0	0	0	0	0	0
TOTAL EXPENSES	\$1,964	\$1,471	\$3,549	\$1,974	\$1,782	\$1,857	\$1,921	\$1,984
CAPITAL PROGRAM								
Capital Expansion/Construction	\$864	\$1,645	\$1,036	\$5,000	\$13,184	\$290	\$500	\$750
TOTAL CAPITAL PROGRAM	\$864	\$1,645	\$1,036	\$5,000	\$13,184	\$290	\$500	\$750
DEBT SERVICE								
Financial Expenses	\$73	\$71	\$68	\$67	\$125	\$63	\$62	\$61
Interest	95	148	245	461	430	527	491	454
Principal	647	683	710	739	769	916	944	988
TOTAL DEBT SERVICE	\$815	\$902	\$1,024	\$1,267	\$1,324	\$1,506	\$1,497	\$1,503
TRANSFERS IN (OUT)								
Capital Contribution	\$399	\$15	\$44	\$44	\$0	\$0	\$10	\$113
Debt Service	408	451	512	613	662	694	688	690
Operation support	507	440	661	757	707	749	780	809
Property Tax Transfer	68	25	1,009	25	5	23	45	68
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,381	\$931	\$2,227	\$1,449	\$1,374	\$1,466	\$1,523	\$1,679
FUND BALANCE								
Net Income (Loss)	(\$196)	\$105	\$863	\$1,396	\$2,267	\$191	\$0	\$0
Beginning Fund Balance July 01	3,337	3,140	3,246	4,108	5,414	7,681	7,872	7,872
ENDING FUND BALANCE AT JUNE 30*	\$3,140	\$3,246	\$4,108	\$5,504	\$7,681	\$7,872	\$7,872	\$7,872
RESERVE BALANCE SUMMARY								
Operating Contingencies	\$1,978	\$2,165	\$1,183	\$987	\$891	\$928	\$960	\$992
Capital Expansion / Construction	500	500	1,659	2,883	5,245	5,398	5,367	5,335
Debt Service & Redemption	662	581	1,267	1,545	1,545	1,545	1,545	1,545
ENDING BALANCE AT JUNE 30	\$3,140	\$3,246	\$4,108	\$5,414	\$7,681	\$7,872	\$7,872	\$7,872

Appendix Table A1: Acronyms

Acronyms	
AF	Acre Foot
CBFIP	Chino Basin Facilities Improvement Project
CBP	Chino Basin Program
CBWM	Chino Basin Water Master
CCWRF	Carbon Canyon Wastewater Reclamation Facility
CIP	Capital Improvement Plan
EDU	Equivalent Dwelling Unit
FTE	Full Time Equivalent
FY	Fiscal Year
GG	Administrative Services Program
GWR	Groundwater Recharge
IERCA	Inland Empire Regional Composting Authority
kWh	Kilowatt hour
MEU	Meter Equivalent Unit
NC	Non-Reclaimable Wastewater Program
NRW	Non-Reclaimable Wastewater
O&M	Operations & Maintenance
R&R	Replacement & Rehabilitation
RC	Regional Wastewater Capital Improvement Program
RMPU	Recharge Master Plan Update
RO	Regional Wastewater Operations and Maintenance Program
RP-1	Regional Water Reclamation Facility (Plant) in the City of Ontario
RP-2	Regional Water Reclamation Facility (Plant) in the City of Chino
RP-3	Old Regional Water Reclamation Facility (Plant) in the City of Fontana rebuilt into a recharge facility with 4 recharge basins or cells.
RP-4	Regional Water Reclamation Facility (Plant) in the City of Rancho Cucamonga
RP-5	Regional Water Reclamation Facility (Plant) in the City of Chino
RRWDS	Regional Recycled Water Distribution System
RW	Recharge Water Program
SBCFCD	San Bernardino County Flood Control District
SCADA	Supervisory Control and Data Acquisition
SRF	State Revolving Fund
TCE	Trichloroethylene
TYCIP	Ten Year Capital Improvement Plan
WW	Water Resources Program

Appendix Table A2: Key Assumptions for FYs 2019/20 and 2020/21 Budget

Revenues and Other Funding Sources	Expenses and Other Uses of Funds
4,000 new wastewater connections per year	3% average growth for O&M expenses
3.4 million volumetric EDU @ 0.25% annual growth	Eliminates vacancy factor in staffing to support succession plan
Recycled Water Deliveries: FY 2019/20 35,800 AF FY 2020/21 36,000 AF	Addition of several major construction projects within the next two-year period
4,700 and 4,630 new water connections (MEU) for FY 2019/20 & FY 2020/21, respectively	Leverage professional services to achieve effective maintenance approach
4% and 3% growth in property tax receipts. Property tax allocated to Regional Capital fund remains at 65%, and “fixed amount” allocation to Regional O&M, Recycled Water, and Administrative Service funds, based on FY 2016/17 budget amendment.	
Capital Improvement Plan (CIP) partially funded by low interest SRF loans and grants	

Appendix Table A3: Wastewater Connection Fees

Rate Description	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19 Projected	FY 2019/20 Projected
Wastewater Connection Fee	\$5,415	\$6,009	\$6,309	\$6,624	\$6,955
Effective Date	1/01/16	1/01/17	7/01/17	7/01/18	7/01/19
Wastewater Connection Units	4,774	5,155	5,223	4,000	4,000

Appendix Table A4: Monthly EDU Sewage Rates

Rate Description	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
EDU Volumetric Rate	\$15 89	\$17.14	\$18 39	\$19 59	\$20.00
Effective Date	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19

Appendix Table A5: Recycled Water Rates

Rate Description	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19 Projected	FY 2019/20 Projected
Direct Delivery/Acre Foot (AF)	\$350	\$410	\$470	\$480	\$490
Groundwater Recharge/Acre Foot (AF)	\$410	\$470	\$530	\$540	\$550
Effective Date	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19
AF Deliveries	32,331	33,146	34,335	32,000	35,800

Appendix Table A6: Water Connection Fees

Rate Description	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19 Projected	FY 2019/20 Projected
Water Connection Fee (for 5/8" and 3/4" meter size)	\$693	\$1,455	\$1,527	\$1,604	\$1,684
Effective Date	1/01/16	1/01/17	7/01/17	7/01/18	7/01/19
Meter Equivalent Units (MEUs)	1,346	4,984	5,455	4,800	4,700

Appendix Table A7: Recycled Water Inter-Fund Loan Repayment Schedule

Inter Fund Loans Issued	Due to	Loan Amount (\$Millions)	Repayment Schedule
FY 2007/08	Non-Reclaimable Wastewater (NRW) Fund	\$9.0	2018/19 \$3.0 2020/21-2021/22 \$6.0 Total \$9.0
FY 2007/08	Regional Wastewater Capital (RC) Fund	3.0	2022/23 \$1.0 2023/24-2024/25 \$2.0 Total \$3.0
FY 2009/10	Non-Reclaimable Wastewater (NRW) Fund	6.0	2021/22 \$3.0 2022/23 \$3.0 Total \$6.0
FY 2014/15	Regional Wastewater Capital Improvement (RC) Fund	10.5	2022/23 \$1.0 2023/24 \$5.0 2024/25 \$4.5 Total \$10.5
Total	Grand Total	\$28.5	\$28.5

Appendix Table A8: Major Projects in FYs 2019/20 and 2020/21

Projects (SThousands)	FY 2019/20 Proposed	FY 2020/21 Proposed	Total Ten-Year Budget
Wastewater Capital Fund			
RP-5 Expansion	\$4,900	\$6,790	\$338,270
CCWRF Assets Management and Improvements	2,700	1,020	23,220
Purchase Existing Solar Installation	0	7,500	7,500
RP-1 Headworks Primary and Secondary Upgrades	5,290	588	5,878
RP-1 Disinfection Pump Improvements	1,197	2,086	5,342
RP-1 Flare Improvements	1,050	2,380	4,900
RP-1 Mixed Liquor Return Pumps	2,172	0	2,172
Total Regional Capital Fund Major Projects	\$17,309	\$20,364	\$387,282
Wastewater Operations Fund			
RP-1 Mechanical Restoration Upgrades	\$8,855	\$1,000	\$9,855
RP-4 Influent Screen Replacement	2,850		2,850
RP-1 Primary Effluent	2,660		2,660

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Projects (\$Thousands)	FY 2019/20 Proposed	FY 2020/21 Proposed	Total Ten-Year Budget
Conveyance Improvement			
SCADA Enterprise System	2,000	3,500	8,500
RSS Haven Avenue Repair & Replacement	2,000	4,000	6,000
Digester 6 and 7 Roof Repairs	1,500	2,800	4,300
RP-4 Primary Clarifier Rehabilitation	1,150	5,200	7,130
Total Regional Operations Fund Major Projects	\$22,965	\$17,550	\$47,445
Recycled Water Fund			
RW Connections to City of Pomona	2,000	3,000	80,000
RW Connections to JCSD	1,000	18,500	31,300
Baseline RWPL Extension	5,730		5,730
RP-1 1158 RMPU Upgrades	4,672		4,672
1158 East Reservoir Re-Coating and Painting	1,000	1,200	2,200
Napa Lateral	1,605		1,605
Total Recycled Water Fund	\$16,007	\$22,700	\$125,507

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Projects (\$Thousands)	FY 2019/20 Proposed	FY 2020/21 Proposed	Total Ten-Year Budget
Recharge Water Fund			
RMPU Construction Costs	5,000	9,750	14,790
Lower Day Basin RMPU Improvements		3,404	3,404
Total Recharge Water Fund	\$5,000	\$13,154	\$18,194
TOTAL MAJOR PROJECTS	\$61,281	\$73,768	\$578,428



Date: May 22, 2019
 To: Regional Technical Committee
 From: Inland Empire Utilities Agency
 Subject: Recycled Water Capital Program Approach

This is an information item regarding the approach to the Recycled Water (RW) Capital Program, in response to the request from the Regional Technical Committee on March 28 and April 25, 2019.

Current Budget/TYCIP Process: IEUA presents through its Ten-Year Capital Improvement Plan and the biennial budget process the capital construction project costs forecast for 10 years. The IEUA Rate study’s forecast term is extended to 20+ years. Following that process, as feasibility studies are completed, and viable projects are identified, the capital construction projects are presented to the Regional Committees and the IEUA Board for consideration before any formal agreements are executed. Initial feasibility studies for the JCSD and Pomona/MVWD were completed in 2015 and 2017; however, formal agreements have not been initiated for the two proposed interties. As funding and water supply opportunities for the region arise, such as the Chino Basin Program, the projects will be re-evaluated to refine benefits for the IEUA’s member agencies and the Chino Basin and presented to the various governing bodies for consideration.

During the May 22, 2019 IEUA Water Managers Meeting, focused questions were raised based on materials presented to the Technical Committee in March and April. Reference is made to April Technical Committee Memo “Review of Proposed Biennial Budget for Fiscal Years 2019/20 and 2020/21 for the Regional Wastewater, Recycled Water, and Recharge Water Funds”, Appendix Table A8, p.22. An excerpt of the table highlighting recycled water projects is below.

Appendix Table A8: Major Projects in FYs 2019/20 and 2020/21

Projects (\$Thousands)	FY 2019/20 Proposed	FY 2020/21 Proposed	Total Ten Year Budget
Recycled Water Fund			
RW Connections to City of Pomona	2,000	3,000	80,000
RW Connections to JCSD	1,000	18,500	31,300
Baseline RWPL Extension	5,730		5,730
RP-1 1158 RMPU Upgrades	4,672		4,672
1158 East Reservoir Re-Coating and Painting	1,000	1,200	2,200
Napa Lateral	1,605		1,605
Total Recycled Water Fund	\$16,007	\$22,700	\$125,507

The projects were also presented in March to the Technical Committee as an attachment titled “TYCIP Update List of Projects Attachment 2.pdf”. For ease of explanation, information from both tables are combined and presented below.

Project Name	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	10 Year	10-20 Years
RW Pomona EN16060	2M	3M	3M	18M	40M	10.5M	3.5M	-	-	-	80 M	
RW JCSD EN16065	1M	18.5M	11.8M	-	-	-	-	-	-	-	31.3 M	
Total Interconnections	3M	21.5M	14.8M	18M	40M	10.5M	3.5M	-	-	-	111.3 M	

The main topic that was discussed was if the current biennial budget's forecast of the entire \$111.3M for the JCSD and Pomona recycled water interconnections in the two-year budget with completion by 20/21 was needed for inclusion in the current budget, and if they should only be considered as part of the Chino Basin Program implementation.

Although the total project for the two RW interconnection projects are \$111.3M, the two-year budget for the projects are \$24.5M (19/20 and 20/21). It should also be noted that the above table shows total project costs but does not highlight funding sources (such as cost shares and project dependency on grants, etc.). For clarification, the funding assumptions for the above referenced projects are as follows, which are used in the proposed FY 19/20 – FY 20/21 budget's fund report calculations.

Project Name	Total Project	IEUA Share**	External Funding*
RW Pomona, EN16060	\$80 M	\$8M	\$72M
RW JCSD, EN16065	\$31.3 M	\$15M	\$16.3M
Total Interconnections	\$111.3M	\$23M	\$88.3M

*External funding could range from agreement terms with cost shares, grants, and SRF loans. The above presented projects time frame for implementation, depending on the funding sources, range from 10 to 20 years.

** Project progression is contingent upon term sheet and subsequent agreement development before moving into design/construction phases.

It should also be noted that the Recycled Water interconnection projects are listed in the TYCIP to ensure that when funding opportunities arise the projects are eligible to compete.

Fiscal Years 2019/20 & 2020/21 Regional Wastewater, Recycled Water and Recharge Water Programs Biennial Budget and FY 2020-2029 Ten Year Capital Improvement Plan



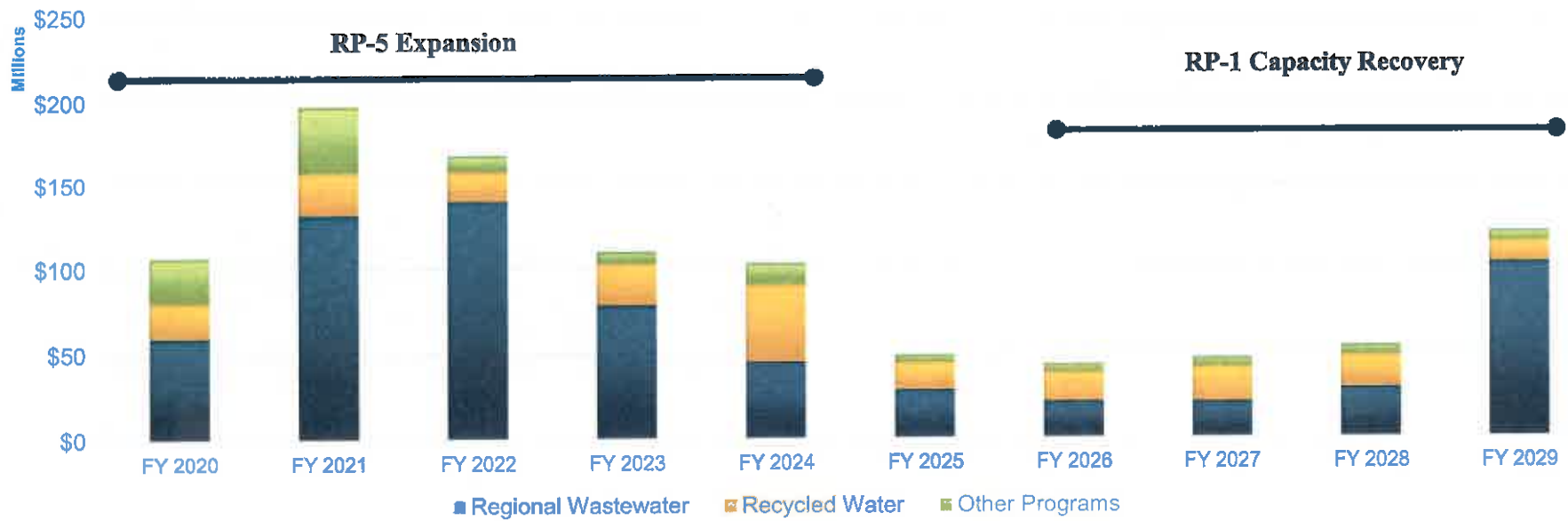
Ten Year Capital Improvement Plan (TYCIP) Fiscal Years 2020 - 2029

Changes since last review

- \$921 million planned over the next 10 years
 - 68% or \$626 million, planned between 2020 – 2024
- Decrease of ~\$3M over preliminary \$924M TYCIP
 - Chino Basin Program annual budget adjustment

Proposed TYCIP \$921M

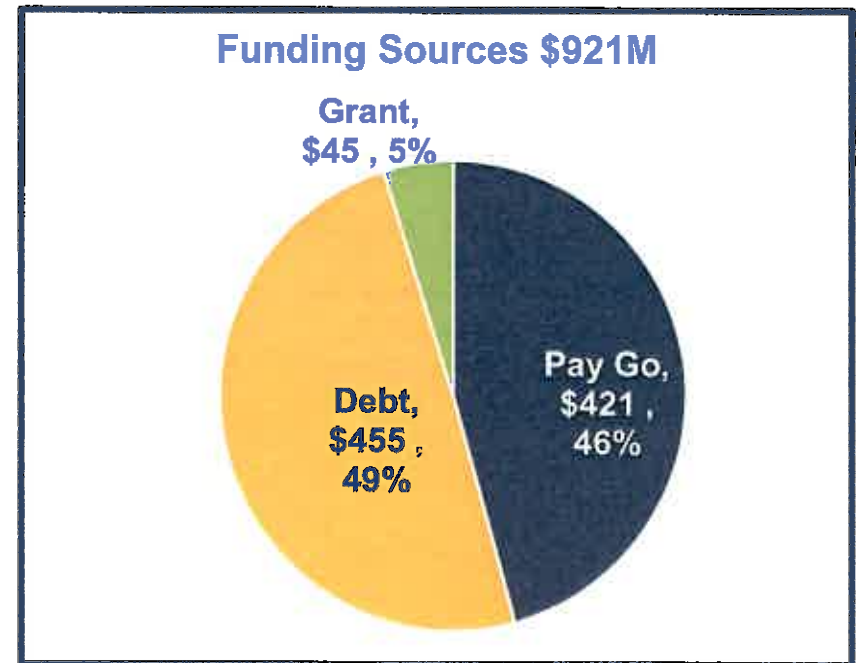
Nearly 68% planned over the first five years



Proposed TYCIP (FYs 2020 – 2029) by Program and Funding Sources

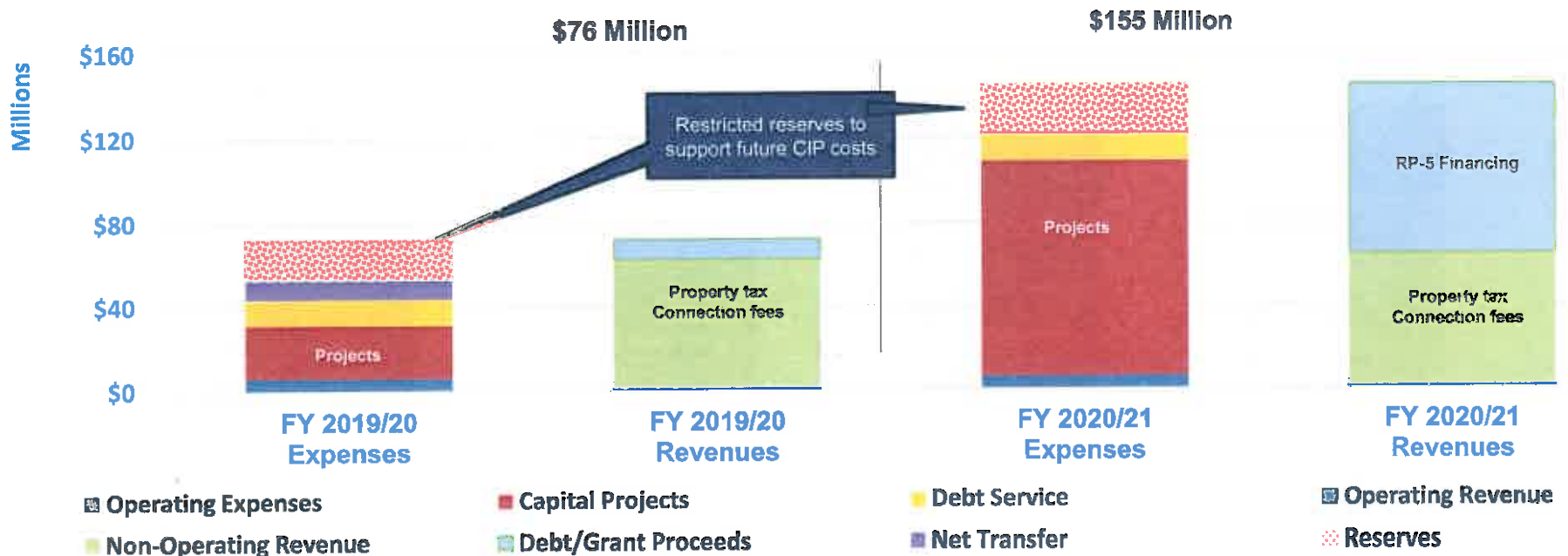
Program	Proposed TYCIP (\$ Millions)
Regional Wastewater Capital	\$513
Recycled Water	\$204
Regional Wastewater Operations & Maintenance	\$108
Non-Reclaimable Wastewater	\$31
Water Resources	\$25
Recharge Water	\$26
Administrative Services	\$14
Total	\$921

+/- Totals may not add due to rounding



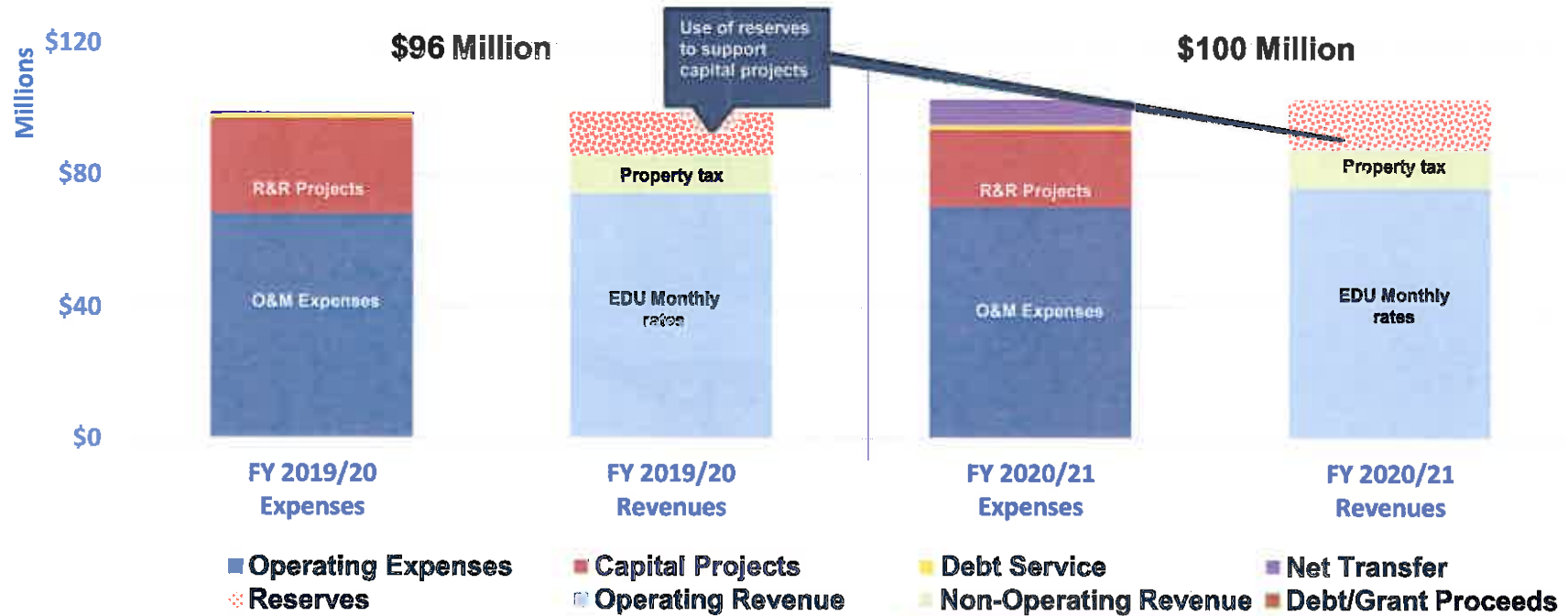
Wastewater Capital Fund

Total Sources and Uses of Funds



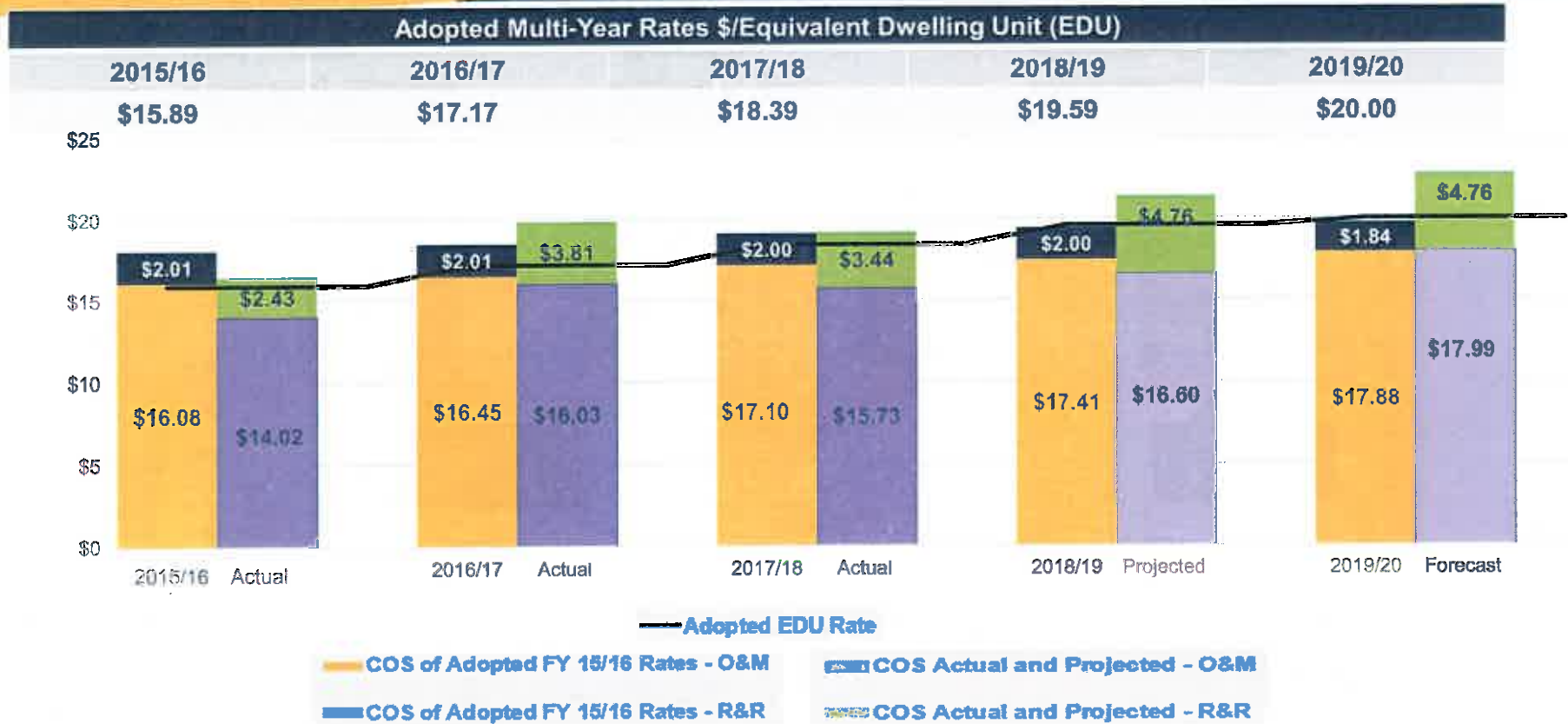
- Major Projects**
- RP-5 Expansion
 - CCWRF Asset Management
 - RP-1 Flare Improvements

Wastewater Operations Fund Total Sources and Uses of Funds

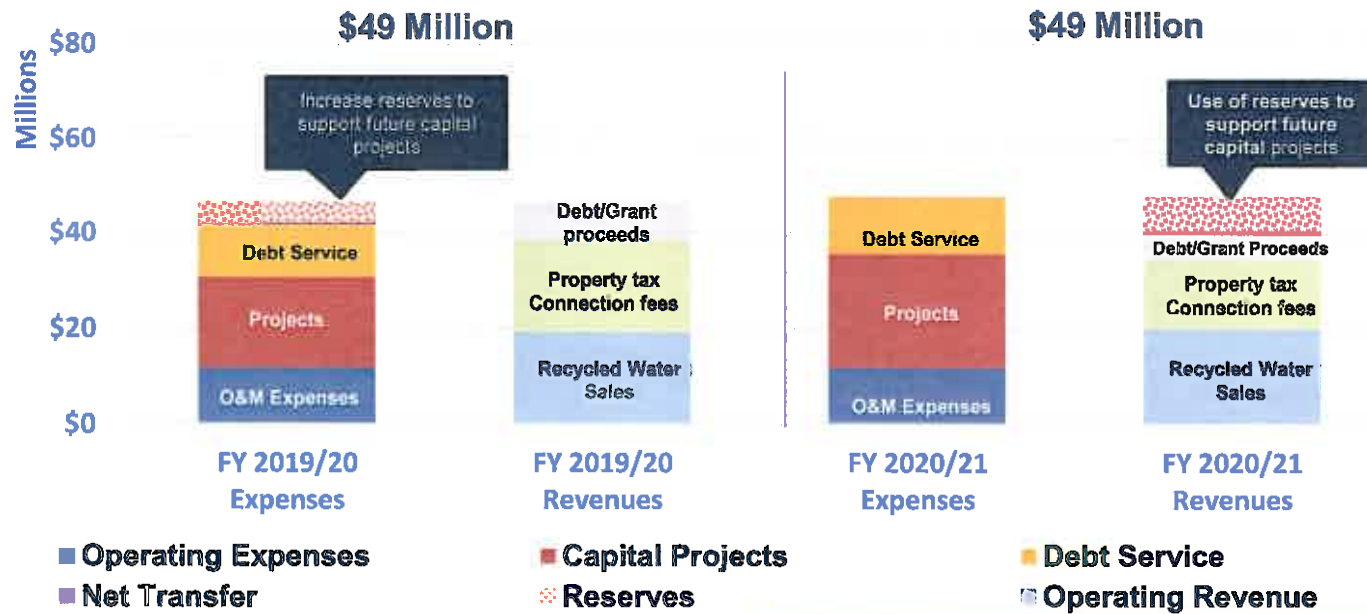


- Major Projects**
- RP-1 Mechanical Restoration
 - RP-4 Influent Screen Replacement
 - SCADA Enterprise System

Wastewater Operations Fund Cost of Service/EDU



Recycled Water Fund Total Sources and Uses of Funds



- Major Projects**
- Baseline Recycled Water Pipeline Extension
 - Recycled Water Interties Pomona/JCSD
 - RP-1 1158 Recycled Water Pump Station Upgrades

Recycled Water Fund Cost of Service/Acre Foot (AF)

	Adopted Multi-Year Rates \$/Acre-Foot (AF)				
	2015/16	2016/17	2017/18	2018/19	2019/20
Effective Date	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19
Direct Delivery	\$350	\$410	\$470	\$480	\$490
Groundwater Recharge	\$410	\$470	\$530	\$540	\$550



■ COS Adopted 15/16 Rates

■ COS Actual

— Adopted Recycled Wtr Rate

Recharge Water Fund Major Capital Projects

Project Name (\$ Millions)	FY 2019/20 Proposed	FY 2020/21 Proposed	IEUA Cost Share	CBWM* Cost Share
Recharge Master Plan Update (RMPU)	\$5.0	\$9.7	0%	100%
Lower Day Basin - RMPU Improvements		3.4	0%	100%
Groundwater Infrastructure Replacement		0.1	100%	0%
Total Capital Projects	\$5.0	\$13.2		

*CBWM: Chino Basin Watermaster

Review and Approval Timeline

Month	IEUA Committee	IEUA Board	Regional Technical Committee	Regional Policy Committee
March	03/13	03/20	03/28	
April	04/10	04/03 04/17	04/25	04/04
May	05/08	05/15	05/30	05/02
June	06/12	06/19		06/06

INFORMATION

ITEM

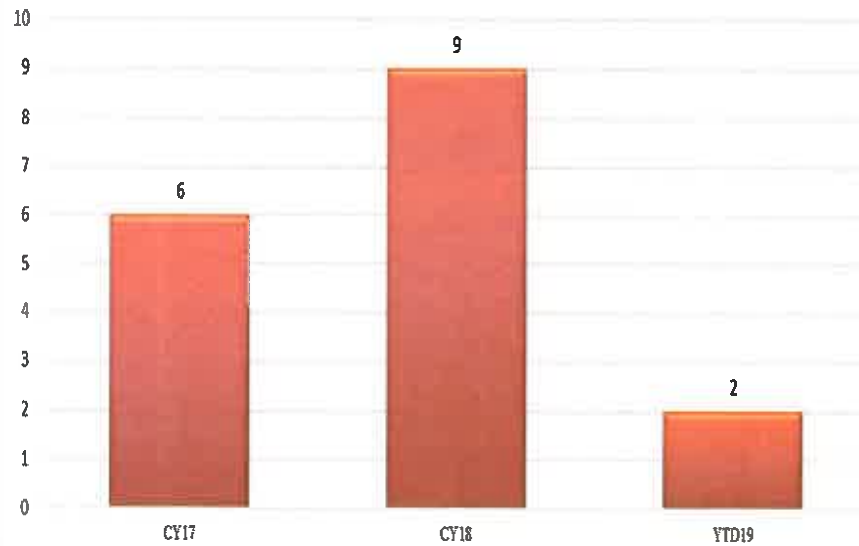
2A

Operations Division Semi-Annual Update

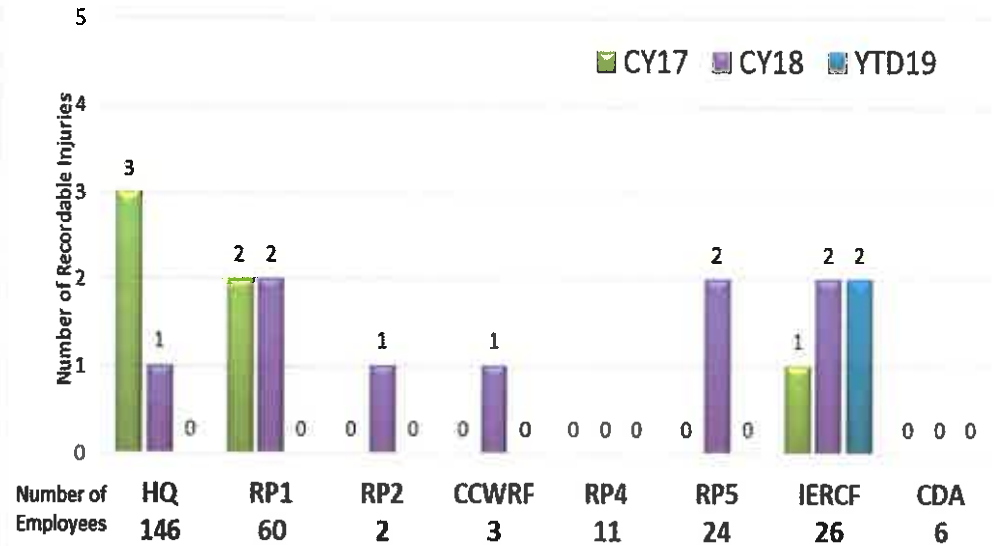


Total Recordable Injuries by Calendar Year

Total Recordable Injuries by Calendar Year



Recordable Injuries by Location



Permit Compliance

- National Pollutant Discharge Elimination System (NPDES)
- Southern California Air Quality Management District (AQMD)
 - RP-1 Flare
- Sanitary Sewer System
 - Preserve Lift Station



Emergency Responses



4/27/2019

- 40 year old 30" TP-1 outfall in the City of Chino
- The leak was caused by a damaged gasket at one of the pipe joints
- All of the flow was contained in an adjacent basin
- Repaired and placed back into service on 4/29/2019



5/9/2019

- 30" Bickmore Avenue pipeline in the City of Chino
- The leak was caused by a damaged saddle on a service lateral
- All of the flow was contained on site
- Repaired and placed back into service on 5/10/2019

IERCF Compost Screening Replacement

- Replacement of end-of-life screen (12 years)
- Project completed April 2019
- Stainless steel or coated for corrosion protection
- Increased production and reliability
- Began daily operations May 6, 2019





WARNING
THIS UNIT
MAY START
AUTOMATICALLY

RP4/IERCF Energy Project

- Producing full power
- 1.5 MW of Batteries at RP4
- 1.5 MW of Solar at IERCF
- Guaranteed Annual Savings: \$87,500
- Solar production: 189,277 kWh



Chino I Desalter Winter Maintenance Shutdown 2019



Recently Completed Projects

RP-1 Headworks & Primary Upgrades



RP-4 Trident Filter Rehab Project



RP-4 SCADA Migration Project



Integrated Systems Services (ISS) Cybersecurity

NEWS

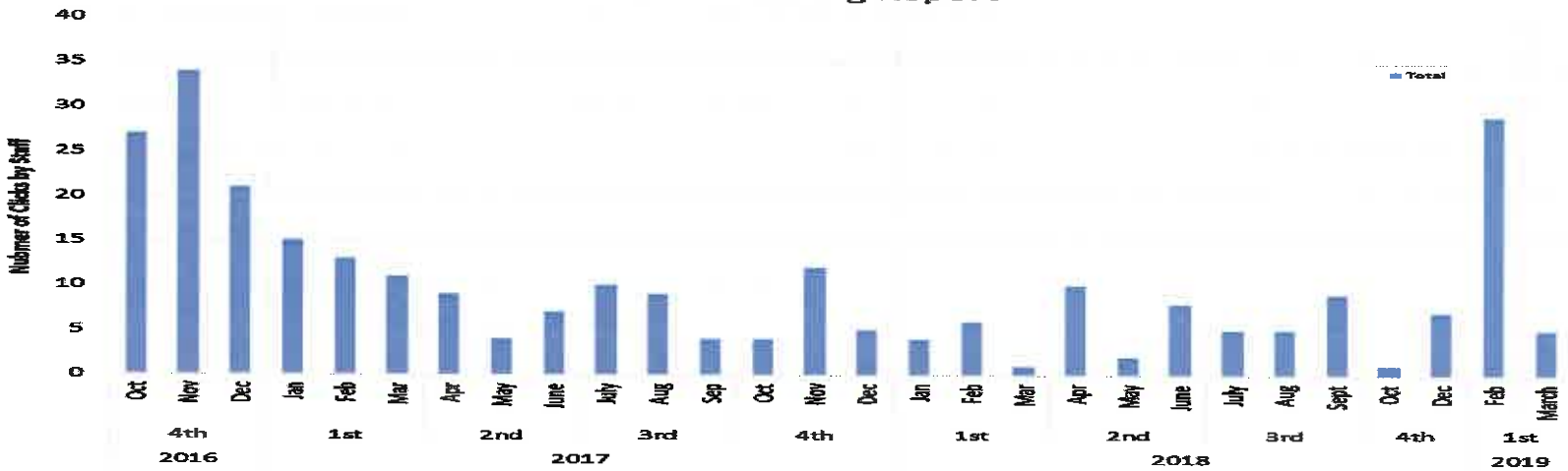
Personal data for 1,000 pensioners accessed from OC Sanitation District

District officials said they are 'working with the parties involved to fully understand the situation and the data breach'

By **TONY SAAVEDRA** | tsaavedra@scng.com and **TERI SFORZA** | tsforza@scng.com | Orange County Register

PUBLISHED: March 11, 2019 at 6:33 pm | UPDATED: March 11, 2019 at 8:12 pm

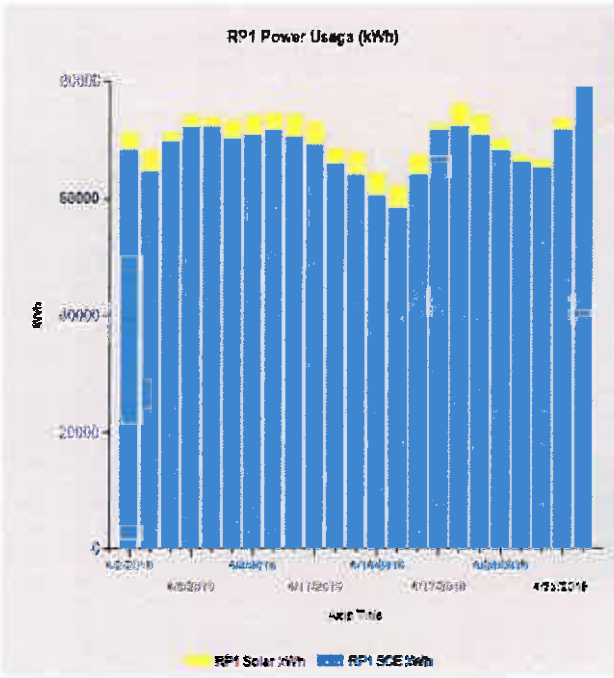
IEUA Phishing Report



Integrated Systems Services (ISS) Energy Reports

Energy - RP1

April 2019



Source	Usage	Day	Consumed / Produced (kWh)	Day	Consumed / Produced (kWh)
SCE	High	4/23/2019	78,824	4/4/2019 6:45 AM	3,788
	Low	4/14/2019	58,239	4/1/2019 11:59 PM	2,981
	Avg		68,356		2,874
Solar	High	4/10/2019	3,962	4/4/2019 11:30 AM	429
	Low	4/16/2019	847	4/1/2019 11:59 PM	0
	Avg		2,815		151
Combined (SCE+Solar)	High	4/17/2019	75,980	4/4/2019	4,217
	Low	4/14/2019	62,007	4/2/2019	0
	Avg		70,704		3,001
Monthly Totals		SCE (kWh)	1,572,181	Solar (kWh)	61,929

**INFORMATION
ITEM**

2B

FY 2017/18 Recycled Water Reconciliation



FY 2017-18 Base Entitlement Allocation

Contracting Agency	EDU's FY 2016-17	Entitlement Allocation (%)	Base Entitlement (AF)	GWR Pro-rata Share (AF)
Chino	352,470	10.7%	5,717	1,446
Chino Hills	296,004	9.0%	4,801	1,214
CVWD	827,680	25.1%	13,426	3,396
Fontana	640,523	19.5%	10,390	2,628
Montclair	142,780	4.3%	2,316	586
Ontario	721,477	21.9%	11,703	2,960
Upland	312,221	9.5%	5,064	1,281
TOTAL :	3,293,156	100%	53,418	13,510

- Entitlement allocation is Agency's % of total EDUs (previous FY)
- Base Entitlement calculated from % allocation and total RW produced
- GWR Share calculated from % allocation and total RW recharged
- FY 2017-18 Total RW produced: 53,418 AF
 - RW recharged: 13,510 AF

Exceeding Base Entitlement

Resolution No. 2016-6-17

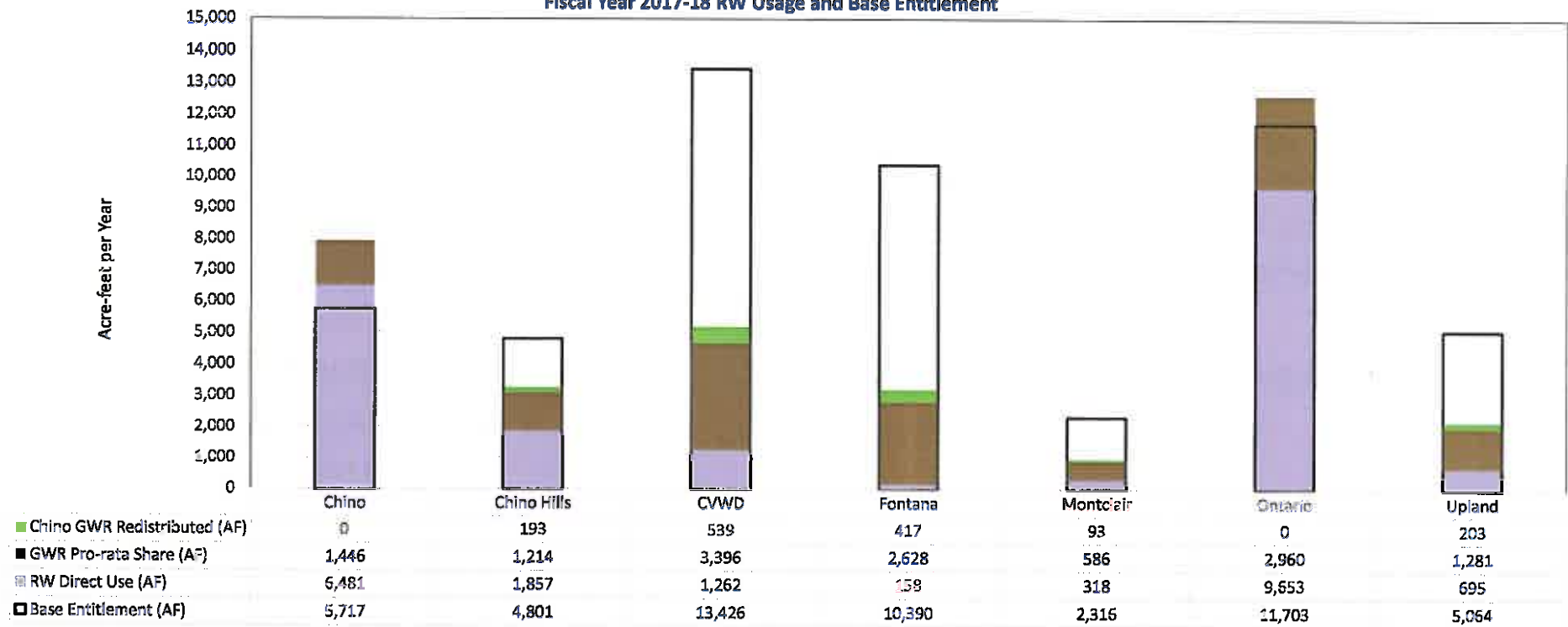
- Options for replacing water:
 - i. Offer stored water in the Chino Groundwater Basin
 - ii. Acquire another agency's unused entitlement
 - iii. Pay surcharge rate (MWD rate - IEUA GWR rate) for exceedance
 - Any surcharge paid is reallocated to CAs below base entitlement

City of Chino

- Temporary base entitlement of 8,324 AF through June 30, 2023
 - If current base entitlement exceeded but below 8,324 AF, only new customers charged
 - GWR share also curtailed and redistributed to CAs

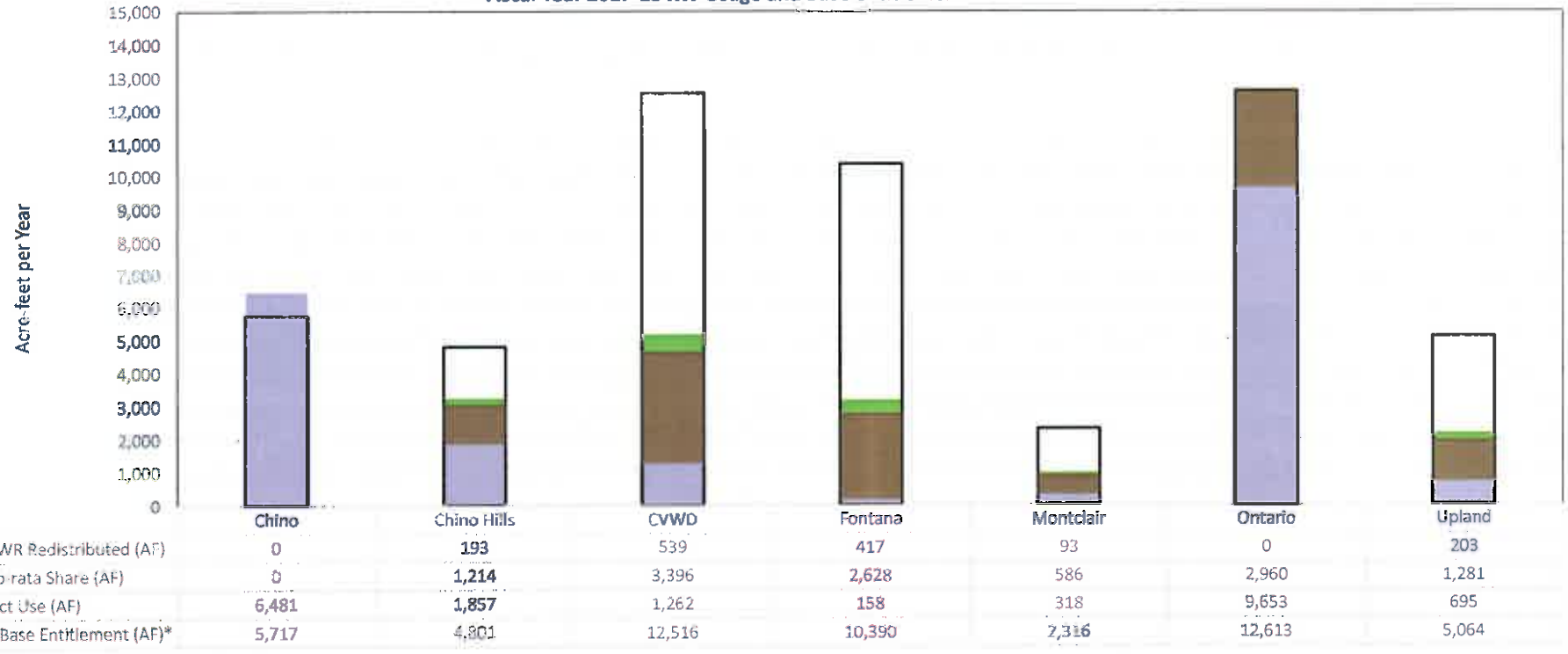
RW / GWR Reconciliation

Fiscal Year 2017-18 RW Usage and Base Entitlement



RW / GWR Reconciliation

Fiscal Year 2017-18 RW Usage and Base Entitlement



Final FY 2017-18 GWR Invoice

Contracting Agency	EDU's FY 2016-2017	Redistributed GWR Allocation (%)	Chino GWR Share Redistributed (AF)	Total Revised GWR Shares (AF)
Chino	352,470	-	-	-
Chino Hills	296,004	13.3%	193	1,407
CVWD	827,680	37.3%	539	3,935
Fontana	640,523	28.9%	417	3,045
Montclair	142,780	6.4%	93	679
Ontario	721,477	0.0%	0	2,960
Upland	312,221	14.1%	203	1,484
TOTAL	3,293,156	100%	1,446	13,510

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3A



Regional Sewerage Program Policy Committee Meeting

AGENDA
Thursday, June 6, 2019
4:00 p.m.

Location

Inland Empire Utilities Agency
Boardroom
6075 Kimball Avenue
Chino, CA 91708

Call to Order and Roll Call

Pledge of Allegiance

Public Comment

Changes/Additions/Deletions to the Agenda

- 1. Technical Committee Report (*Oral*)**
- 2. Action Items**
 - A. Meeting Minutes for May 2, 2019
 - B. Mechanical Restoration and Upgrades Construction Contract Award
 - C. Biennial Regional Programs Budget and TYCIP
- 3. Informational Items**
 - A. Operations Division Update
 - B. Legislative Update
- 4. Receive and File**
 - A. Building Activity Report
 - B. Recycled Water Distribution – Operations Summary
 - C. IEUA Rate Study Workshop #2
- 5. Other Business**
 - A. IEUA General Manager's Update
 - B. Committee Member Requested Agenda Items for Next Meeting
 - C. Committee Member Comments
 - D. Next Meeting – August 1, 2019

6. Adjournment

DECLARATION OF POSTING

I, Laura Mantilla, Executive Assistant of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted to the IEUA Website at www.ieua.org and posted in the foyer at the Agency's main office at 6075 Kimball Avenue, Building A, Chino, CA, on Thursday, May 30, 2019.

Laura Mantilla

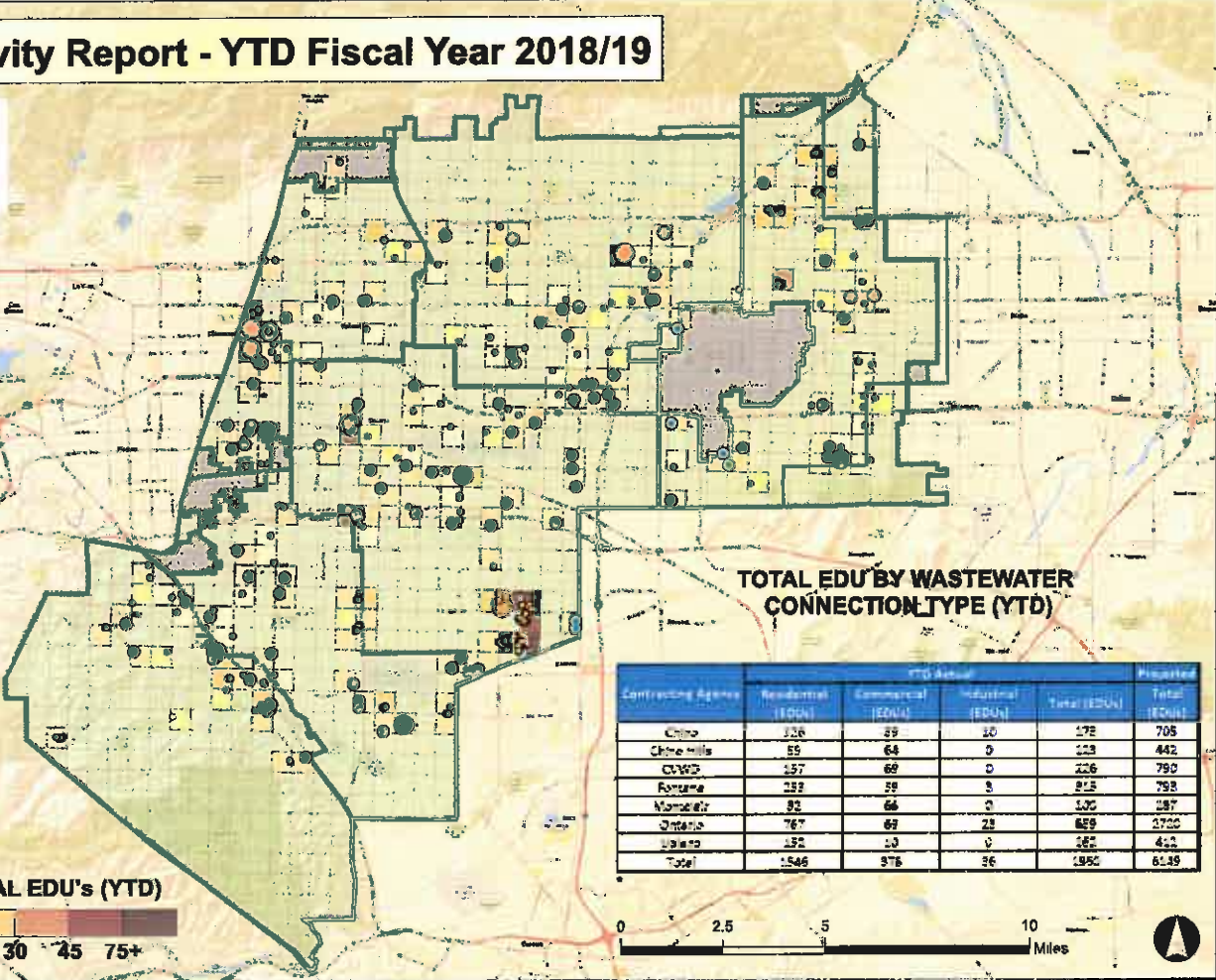
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3B

Building Activity Report - YTD Fiscal Year 2018/19



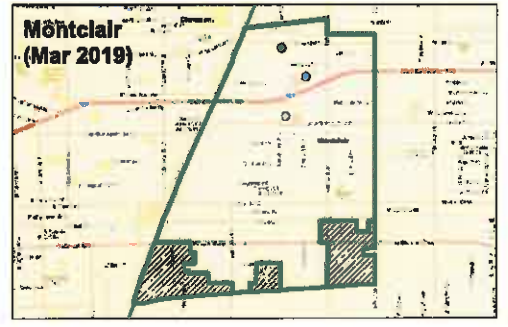
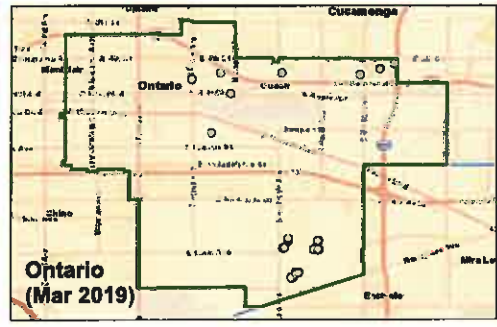
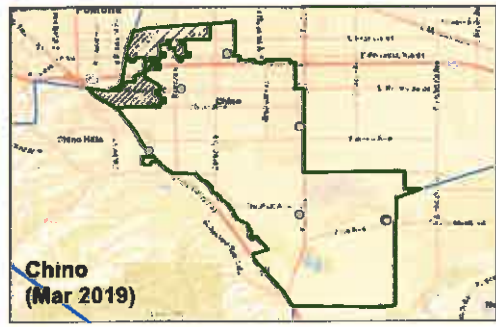
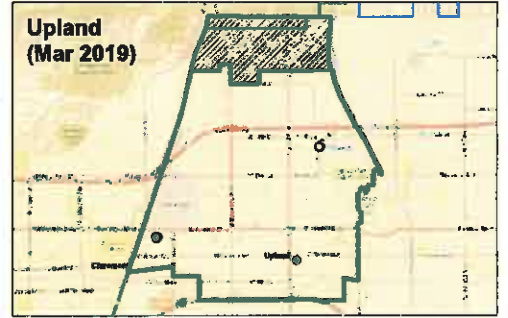
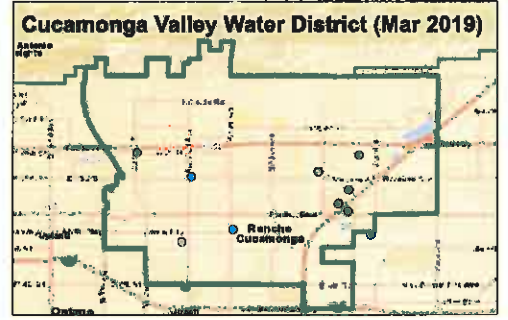
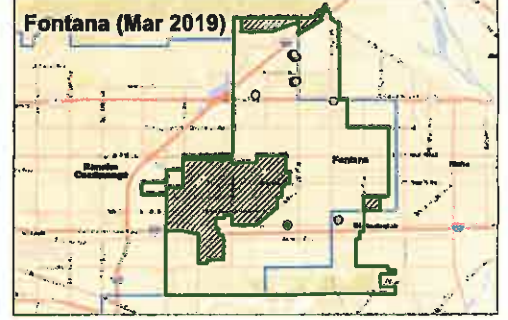
- Legend**
- Service Area
 - Unincorporated
- EDU (YTD)**
- Residential**
- <=1.0
 - 1.0 - 10.0
 - >10.0
- Commercial**
- <=1.0
 - 1.0 - 10.0
 - >10.0
- Industrial**
- <=1.0
 - 1.0 - 10.0
 - >10.0



TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	Residential (EDUs)	Commercial (EDUs)	Industrial (EDUs)	Total (EDUs)	Planned (EDUs)
Chino	126	39	10	175	705
Chino Hills	55	64	0	119	442
CVWD	197	69	0	266	790
Fontana	182	59	3	244	768
Montclair	92	66	2	160	287
Ontario	767	69	23	859	2700
Upland	192	13	0	205	412
Total	1,546	376	36	1,958	6,149

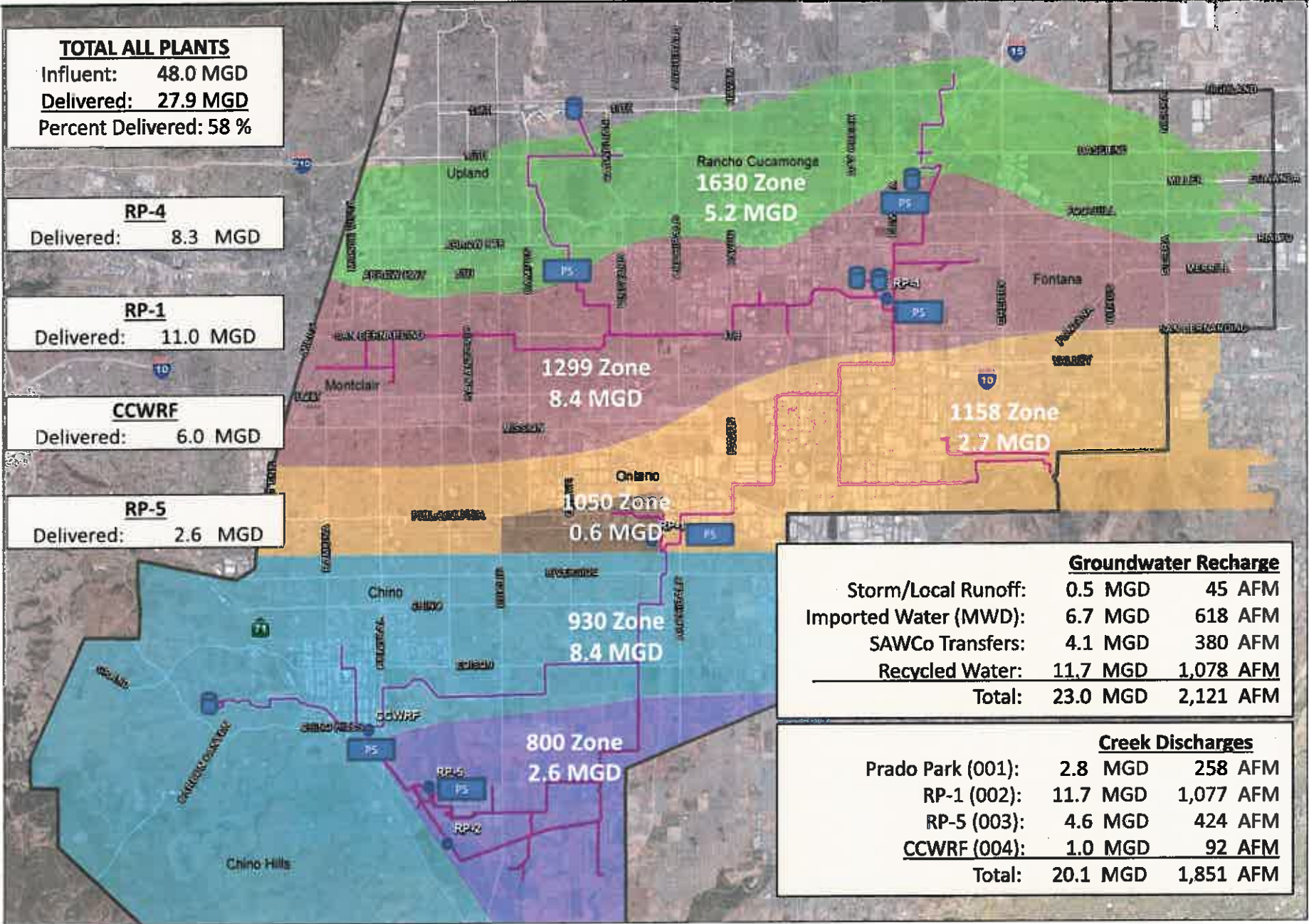
HALF MILE GRID: TOTAL EDU's (YTD)



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3C

IEUA RECYCLED WATER DISTRIBUTION – APRIL 2019



TOTAL ALL PLANTS
 Influent: 48.0 MGD
 Delivered: 27.9 MGD
 Percent Delivered: 58 %

RP-4
 Delivered: 8.3 MGD

RP-1
 Delivered: 11.0 MGD

CCWRF
 Delivered: 6.0 MGD

RP-5
 Delivered: 2.6 MGD

Groundwater Recharge	
Storm/Local Runoff:	0.5 MGD 45 AFM
Imported Water (MWD):	6.7 MGD 618 AFM
SAWCo Transfers:	4.1 MGD 380 AFM
Recycled Water:	11.7 MGD 1,078 AFM
Total:	23.0 MGD 2,121 AFM

Creek Discharges	
Prado Park (001):	2.8 MGD 258 AFM
RP-1 (002):	11.7 MGD 1,077 AFM
RP-5 (003):	4.6 MGD 424 AFM
CCWRF (004):	1.0 MGD 92 AFM
Total:	20.1 MGD 1,851 AFM

Rancho Cucamonga
 1630 Zone
 5.2 MGD

1299 Zone
 8.4 MGD

1158 Zone
 2.7 MGD

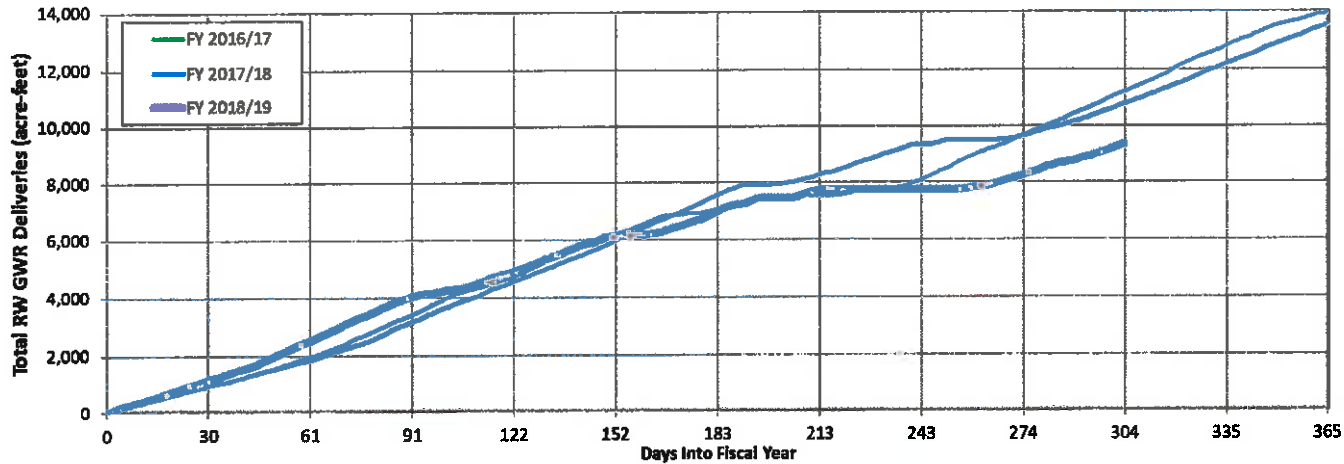
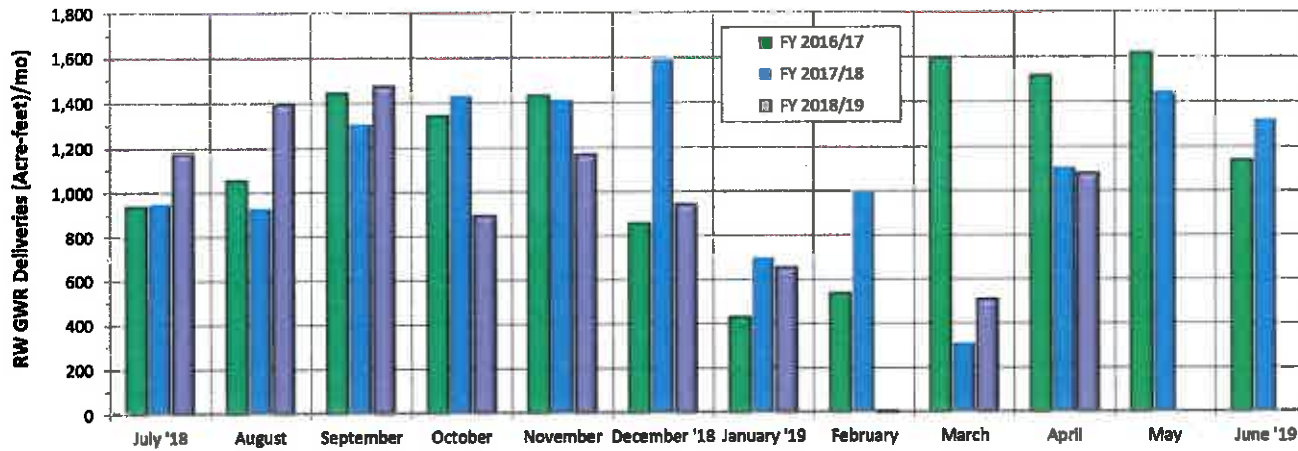
1050 Zone
 0.6 MGD

930 Zone
 8.4 MGD

800 Zone
 2.6 MGD

Recycled Water Recharge Deliveries / Plan - April 2019 (Acre-Feet)

Basin	4/1-4/6	4/7-4/13	4/14-4/20	4/21-4/27	4/28-4/30	Month Actual	FY To Date Actual	Deliveries are draft until reported as final.		
Ely	0.0	0.0	0.0	0.0	0.0	0.0	1392			
Banana	0.0	0.0	0.0	0.0	0.0	0.0	309			
Hickory	0.0	0.0	0.0	0.0	0.0	0.0	188			
Turner 1 & 2	0.0	0.0	0.0	0.0	0.0	0.0	547			
Turner 3 & 4	0.0	0.0	0.0	0.0	0.0	0.0				
8th Street	82.7	67.1	79.9	120.0	30.3	380.0	2159			
Brooks	48.0	55.5	58.7	83.7	21.7	265.6	924			
RP3	11.4	6.5	0.0	0.0	0.0	17.9	1148			
Declerz	22.6	4.8	21.2	45.5	11.5	105.6	1399			
Victoria	71.4	81.4	55.8	78.7	23.6	310.9	1253			
San Sevaine	0.0	0.0	0.0	0.0	0.0	0.0	0			
Total	234.1	215.3	215.6	327.9	87.1	1,080.0	0	9,318	1,105	A^o previous FY to day actual



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Bill No.	Author	Bill Name	Description	IEUA Action	Comments
AB 292	Quirk	Recycled Water: raw water and groundwater augmentation	Updates terminology related to potable reuse in order to promote a better understanding of the various types of reuse.	Support	Sponsored by WaterReuse
AB 405	Rubio	Sales and use taxes: exemption: water treatment	Chemicals used in the treatment of drinking water are already exempted from sales tax. This bill would also exempt from sales tax chemicals related to wastewater treatment and recycled water treatment. Estimated to save IEUA \$75K/year.	Support	
AB 533	Holden	Income taxes: exclusion: turf removal water conservation program	This bill would exclude from gross income any amount received as a rebate, voucher, or other financial incentive issued by a water service provider for turf removal before January 1, 2024.	Support MWD Coalition Letter 3/21/19	
AB 557	Wood	Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program	Would appropriate \$9.25 million from the General Fund to the Department of Water Resources in Fiscal Year 2019/20 to operate the Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program.	Support	
AB 654	Rubio	Public Records: utility customers: disclosure of personal information	Would allow a local agency to share utility usage data and other personal customer information with another governmental agency for scientific, educational, or research purposes and maintain that data as confidential.	Support	
AB 1194	Frazier	Sacramento - San Joaquin Delta: Delta Stewardship Council	Would increase the membership of the Delta Stewardship Council to 13 members, including 11 voting members and 2 nonvoting members.	Oppose MWD Coalition Letter 3/28/19	
AB 1672	Bloom	Product labeling: flushable products	Would establish labeling requirements and performance standards for wet wipes so that Californians will know whether a product can be discarded safely by their plumbing.	Support	Sponsored by CASA
SB 204	Dodd	State Water Project: Contracts	This bill would add requirements to the Government Code that would significantly and unnecessarily delay any action on California WaterFix moving forward and would increase costs to implement the project by creating excessive delays in the contracting process.	Oppose MWD Coalition Letter 3/6/19	
SB 307	Roth	Water Conveyance: use of facility with unused capacity	Would impose additional state environmental review by unrelated agencies on a project that has already undergone environmental review under the California Environmental Quality Act.	Oppose IEUA Letter 3/28/19	
SB 414	Caballero	Small System Water Authority Act of 2019	Would promote the voluntary consolidation of smaller, non-compliant water agencies with compliant water agencies.		Sponsored by Eastern MWD and CMUA
SB 332	Hertzberg	Ocean Discharge	Bill seeks to reuse 50% of all wastewater discharged to the ocean by 1/1/2030 and 95% of all discharged wastewater by 1/1/2040.	Oppose Unless Amended	
SB 669	Caballero	Safe Drinking Water Trust	Would establish a Fund to collect moneys from the General Fund. Interest earnings from the Fund are to be used by the Trust to assist chronically noncompliant water systems in need of financial assistance.		Sponsored by ACWA and CMUA

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3E

**REGIONAL SEWERAGE PROGRAM
PRETREATMENT SUBCOMMITTEE**

May 7, 2019

1:30 PM

IEUA HQ Building A, Chaffey Conference Room
6075 Kimball Avenue
Chino, CA 91710

Minutes

Members Present

Ruben Valdez.....	City of Chino
Tere Worsham.....	CVWD
Jerry Perez.....	City of Fontana
Nicole deMoet.....	City of Montclair
Michael Birmelin.....	City of Ontario
Craig Proctor.....	IEUA

Others Present

Ken Tam.....	IEUA
Michael Barber.....	IEUA

1. Introductions

Introductions of those present were given.

2. Informational Items & Updates

a. Tech Meeting Report

- The Regional Technical Committee approved the contract amendment with Kearns and West for the Regional Contract Facilitation.
- The Regional Technical Committee approved the City of Fontana regional connection F-31 and the CVWD regional connection CW-19.

b. Treatment Plants

RP-1/RP-4:

- RP-4 met all the NPDES requirements during the months of December 2018 through March 2019.

RP-5:

- RP-5 met all the NPDES requirements during the months of December 2018 through March 2019.

CCWRF:

- CCWRF met all the NPDES requirements during the months of December 2018 through March 2019.

Agency-wide:

- The Agency-Wide 12-month running average TDS for the months of November 2018 through March 2019 was a high of 490 mg/L, which did not exceed the 550 mg/L Agency-wide 12-month running average limit.
- The Agency-wide 12-month running average incremental increase between secondary effluent and water supply TDS for the months of November 2018 through March 2019 was a high of 203 mg/L, which did not exceed the 250 mg/L Agency-wide 12-month running average limit.

Collections System:

- On March 10, 2019, a Category 2 sanitary sewer overflow (SSO) occurred due to a power failure at the recently completed Preserve Lift Station. Based on visual observation and sampling the estimated 66,275-gallon spill did not reach the waters of the State.

Recycled Water:

- On March 4, 2019 at 11:20 a.m., a contractor performing demolition work at the RP-1 1158 pressure zone recycled water pump station caused a release of approximately 300,000 gallons of recycled water to the Cucamonga Creek. The recycled water began discharging to the Cucamonga Creek at 11:25 a.m. and was stopped by 11:55 a.m.
- No agricultural runoff events were reported to IEUA by member agencies during the months of December 2018 through March 2019.

c. Pretreatment Programs

American Beef Packers in the City of Chino was issued a Notice of Non-Compliance for exceeding the permitted local daily limit for TDS by Summation in February. Results of industries investigation found that chemical dosing pumps were incorrectly set by operators. Corrective actions included securing chemical pumps to allow only Chemco representatives access to adjust pump settings. Resampling was conducted and results indicated compliance. No further action required.

Evolution Fresh in the City of Rancho Cucamonga was issued a Notice of Violation and Order for Corrective Action (NOV/OCA) and Order to Show Cause in February for exceeding the permitted local daily limit for TDS by Summation in November and December. A compliance meeting was held with industry. Results of industries investigation found the conductivity meter out of calibration and CIP dosing levels 2-3 times higher than recommended by chemical vendor. Corrective actions were implemented. Subsequent monitoring for TDS indicated compliance.

Forbes Industries in the City of Ontario was issued a Notice of Violation and Order for Corrective Action for failing to conduct self-monitoring for TDS by Summation for the period October through December. Results of industries investigation found that due to a staffing change, the sampling was inadvertently missed. Resampling was conducted and results indicated compliance. No further action required.

Nestle Waters North America in the City of Ontario was issued a Notice of Violation and Order for Corrective Action for exceeding the permitted local daily limit for TDS by Summation in December and for failure to notify IEUA within 24 hours of becoming aware of the violation. Results of industries investigation was inconclusive. Resampling was conducted for TDS and results indicate compliance. No further action required.

Schlosser Forge Company in the City of Rancho Cucamonga was issued a Notice of Violation and Order for Corrective Action in February for failing to properly operate and maintain pretreatment equipment. Results of industries investigation found the pH recirculation valve not functioning nor communicating with the PLC. The valve was replaced and connection to the PLC re-established. A reinspection by IEUA confirmed the valve is operating as designed. No further action required.

Sun Badge in the City of Ontario was issued a Notice of Violation and Order for Corrective Action for failing to conduct self-monitoring for TDS by Summation for the period October through December. Results of industries investigation found Sun Badge failed to notify its contract laboratory of the new sampling requirement. This matter has been corrected. Resampling was conducted and results indicated compliance. No further action necessary.

Wing Lee Farms (WLF) in the City of Chino (City) was issued Notices of Non-Compliance (NNC) for discharging wastewater in excess of its maximum daily discharge limit for flow in November, December, January and February, for failure to respond to the NNC, and for operating its clarifier beyond its rated capacity. WLF responded to the NNC stating it is in the process of applying for a Supplemental Conditional Use Permit (SCUP) from the City. As part of that process, WLF is proposing to install an additional clarifier, lift station, equalization

tanks, effluent flow meter and monitoring station. WLF has requested an increase in wastewater capacity and agreed to lower production until the capacity issue is resolved. As a result of the repeated violations, the City will be issuing an Enforcement Compliance Schedule Agreement.

3. Discussion Items

a. Dental Amalgam Rule

IEUA updated the committee on the status of the inventory list of active dental offices. The one-time dental compliance certification forms have been mailed to 442 dental offices within the IEUA service area. To date, IEUA and the member agencies have received 164 completed forms representing 38% return rate. The committee discussed following up with the dental offices that have been non-responsive. IEUA requested that the member agencies continue providing information on any new dental facilities that locate within their service area and providing copies of completed certifications to IEUA.

b. CASA Study Non-Residential Site Sampling Update

IEUA provided an update on the CASA non-residential sampling program study. IEUA is requesting the member agencies assist IEUA in identifying potential commercial site locations within the IEUA service area where the discharge can be isolated and monitored for flow and strength. The types of commercial sites that IEUA is interested in collecting data includes full service and fast food restaurants, hotel, bakery, school, supermarket, car wash, laundromat, fitness center and hospital. The need for water consumption data for the selected sites was also discussed including the possibility of obtaining AMI data. If sites are identified that meet these criteria, they will be provided to CASA and Carollo Engineering to include in the study.

c. Grease Haulers – Disposal Issues

The committee discussed the recent concerns expressed by grease hauling companies as to the lack of disposal sites. It appears that several of the larger disposal facilities are no longer accepting grease. The member agencies will investigate this issue further to see if this is an isolated issue or a more widespread problem.

d. Public Outreach - Disposable Wipes

IEUA gave a brief update on the SSO at the Preserve Lift Station. As the SSO was attributed in part to a large amount of debris, primarily disposable wipes, it was suggested the committee may want to consider conducting public outreach

on what not to flush to the sewer system. IEUA will provide outreach materials to the committee for future discussion.

e. SCAP Pretreatment Committee Meeting Update

IEUA provided an update on the SCAP Pretreatment Committee meeting. Key topics discussed included the recent pretreatment compliance audits being conducted throughout Southern California by the RWQCB and EPA contractors. As it has been almost 2 years since IEUA had its last pretreatment compliance audit, the committee was reminded that an upcoming audit is possible. In February 2019, the EPA promulgated the Hazardous Waste Pharmaceuticals & Amendment to the Nicotine Listing Final Rule. The committee was reminded about the EPA Cross-Media Electronic Reporting Rule (CROMERR) which will take effect December 31, 2020.

4. Open Discussion and Future Topics

It was requested that the Local Limits/Point of Connection Standards be revisited at the next committee meeting.

The next pretreatment meeting is tentatively scheduled for August 6, 2019.

The meeting adjourned at 3:00 p.m.

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Date: May 15, 2019

To: The Honorable Board of Directors
Committee:

From: ^{for} Shivaji Deshmukh, General Manager

Executive Contact: Chris Berch, Executive Manager of Engineering/AGM

Subject: Jurupa Community Services District Water Resources Management Partnership

Executive Summary:

Inland Empire Utilities Agency (IEUA) has developed the Chino Basin Program (CBP) to achieve water security, flexibility and resiliency for the Chino Basin stakeholders through the \$207 million conditional funding approval by the California Proposition 1 Water Storage Investment Program. As one of the stakeholders, Jurupa Community Services District (JCSD) needs to secure water supplies for increasing future water demands within its service area.

IEUA and JCSD intend to enter into a Water Resources Management Partnership that will allow the collaboration on the refinement of the facilities for the CBP and JCSD. The initial terms of the partnership being contemplated will include a JCSD recycled water interconnection, JCSD's commitment of 5,000 acre-feet per year of recycled water for the CBP operations, and CBP water conveyance facilities accessible to JCSD to meet its future demands. JCSD's Engineering, Water, Sewer and Conservation Committee approved the CBP Memorandum of Understanding and endorsed the Water Resources Partnership in April 2019. JCSD's Board approval is scheduled for May 2019.

The next step in the process will be a CBP Agreement with JCSD by late 2019.

Staff's Recommendation:

1. Endorse the IEUA and JCSD Water Resources Management Partnership; and
2. Authorize staff to continue discussions with JCSD using the Guiding Principles in the Partnership Document.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

There is no impact to budget with this action.

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On April 17, 2019, IEUA's Board of Directors approved the Chino Basin Program Memorandum of Understanding to facilitate the collaborative process for the development and implementation of the CBP.

Environmental Determination:

Statutory Exemption

CEQA exempts a variety of projects from compliance with the statute. This project qualifies for a Statutory Exemption as defined in Section 15262 of the State CEQA Guidelines.

Business Goal:

The CBP supports IEUA's business goal of Water Reliability, of implementing an integrated water resources management plan providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Attachments:

Attachment 1 - Water Resources Management Partnership Document

INLAND EMPIRE UTILITIES AGENCY AND JURUPA COMMUNITY SERVICES DISTRICT
WATER RESOURCES MANAGEMENT PARTNERSHIP

GUIDING PRINCIPLES:

- IEUA, through its Chino Basin Program, has initiated a Chino Basin-wide water resources management program with a vision to meet water resources needs of the future efficiently, economically, and in a timely manner, while improving resiliency in light of an uncertain future resulting from climate change.
- JCSD has a desire to diversify its water portfolio to support growth within its service area and continue to be a steward in the sustainable management of the Chino groundwater Basin.
- The visions of the two agencies are unified by developing all water resources management programs with a Chino Basin-wide perspective.

IEUA's needs for the Chino Basin Program

- Meet the California Water Commission's Water Storage Investment Program performance requirements, including all necessary agreements with local partners and stakeholders, by 2020/2021.
 - Produce and store 15,000 acre-feet of advanced treated recycled water within the Chino Basin.
 - Exchange the stored CBP water with a local State Water Project contractor to facilitate releases of up to 50,000 acre-feet per year of water from Lake Oroville to the Feather River during dry and critically dry years for the benefit of the Chinook Salmon.
 - Secure added local supply to balance the needs of the CBP and current uses of recycled water within the IEUA service area.
 - Secure support from stakeholders to enable the construction and operation of the CBP by 2026.
- Incorporate to the maximum extent feasible local stakeholder needs, long term water resources management objectives of the Chino Basin, and programs and projects identified in regional and local planning documents while developing the CBP to provide broad mutual benefits across the Chino Basin.

JCSD's needs for Water Resources Management

- Diversify its current water portfolio beyond current groundwater supplies to meet the projected 2040 water demands of 40,000 acre-feet per year (including 10,000 acre-feet per year of new demand) to support growth and future regulatory requirements.
- Identify alternatives to reduce groundwater pumping constraints in Management Zone 3 of the Chino Groundwater Basin, including mechanisms to provide added recharge or reduce pumping by diversifying supply sources.
- Maximize the beneficial use of JCSD's recycled water.

INLAND EMPIRE UTILITIES AGENCY AND JURUPA COMMUNITY SERVICES DISTRICT
WATER RESOURCES MANAGEMENT PARTNERSHIP

Water Resources Management Partnership

IEUA and JCSD intend to enter into a Water Resources Management Partnership to achieve their respective goals and contribute to the sustainable management of water resources in the Chino Basin.

- IEUA anticipates the construction of a CBP Network, a distribution system across the Chino Basin to provide flexibility in physically transferring water across the quadrants of the Chino Basin (West, East, North and South).
 - It is anticipated that through partnerships and agreements with Metropolitan Water District and Western Municipal Water District a connection with State Water Project conveyance facilities will be constructed with a capacity of 10,000 acre-feet per year that would be accessible to JCSD to meet new demands.
 - The CBP Network will provide flexibility in managing Management Zone 3 and meeting demands through physical connection to retail agencies within the Chino Basin.
- IEUA anticipates the construction of regional pipelines and pump stations to augment its recycled water system to meet the needs of the CBP.
 - IEUA anticipates the construction of a recycled water interconnection between JCSD (WRCWRA) and IEUA, with an ultimate capacity of 6,000 acre-feet per year.
 - IEUA anticipates using 5,000 acre-feet per year of JCSD's recycled water for CBP Operations.
 - JCSD anticipates using 1,000 acre-feet per year of recycled water from the regional interconnection to serve current and future users.

Terms of Engagement

The Partnership will enable IEUA and JCSD to collaboratively develop the formulation of CBP facilities, cost estimates for such facilities, and terms for equitable sharing of resources and costs. The CBP is committed to include operations to provide defined public benefits for the state of California for 25 years in return for Water Storage Investment Program funding provided from the California Water Commission. The comprehensive terms of this Water Resources Management Partnership will be negotiated to be equitable amongst the parties; it is currently contemplated that the terms will include commitments for CBP investment in the CBP Network and JCSD RW Interconnection and JCSD's commitment of 5,000 acre-feet per year of recycled water for a period of 50 years for the CBP.

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Wastewater & One Water Connection Fees
and Service Rates Study
Workshop 2 – May 2, 2019



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

Workshop Agenda

1. Connection Fee Background
2. Wastewater Connection Fees
3. One-Water Connection Fees

IEUA Funding Strategy: Based upon a comprehensive and integrated approach

Water Rates

Wastewater Rates

Connection Fees – One-Water

Connection Fees – Wastewater



General Study Approach: Each fee or rate analysis follows a similar approach.



Policy & Rate and
Fee Structure
Review



Revenue
Requirement and
Funding Needs
Analysis



Demand Analysis
and Flow and
Loading Analysis



Cost Allocation
Analyses
-growth/existing
-functional group



Rate and Fee
Design Analysis



Outreach,
Engagement, &
Messaging





Connection Fee Basics

What is a connection fee? One-time charge imposed on new or upsized meters or connections to compensate for the cost of providing system capacity

- Assessed per unit of capacity required:
 - Wastewater per Equivalent Dwelling Unit (EDU)
 - Water per Meter Equivalent Unit (MEU)

Adopted Fees

Wastewater
Connection Fees

FY 2018/19: \$6,624 per EDU
FY 2019/20: \$6,955 per EDU

One Water
Connection Fees

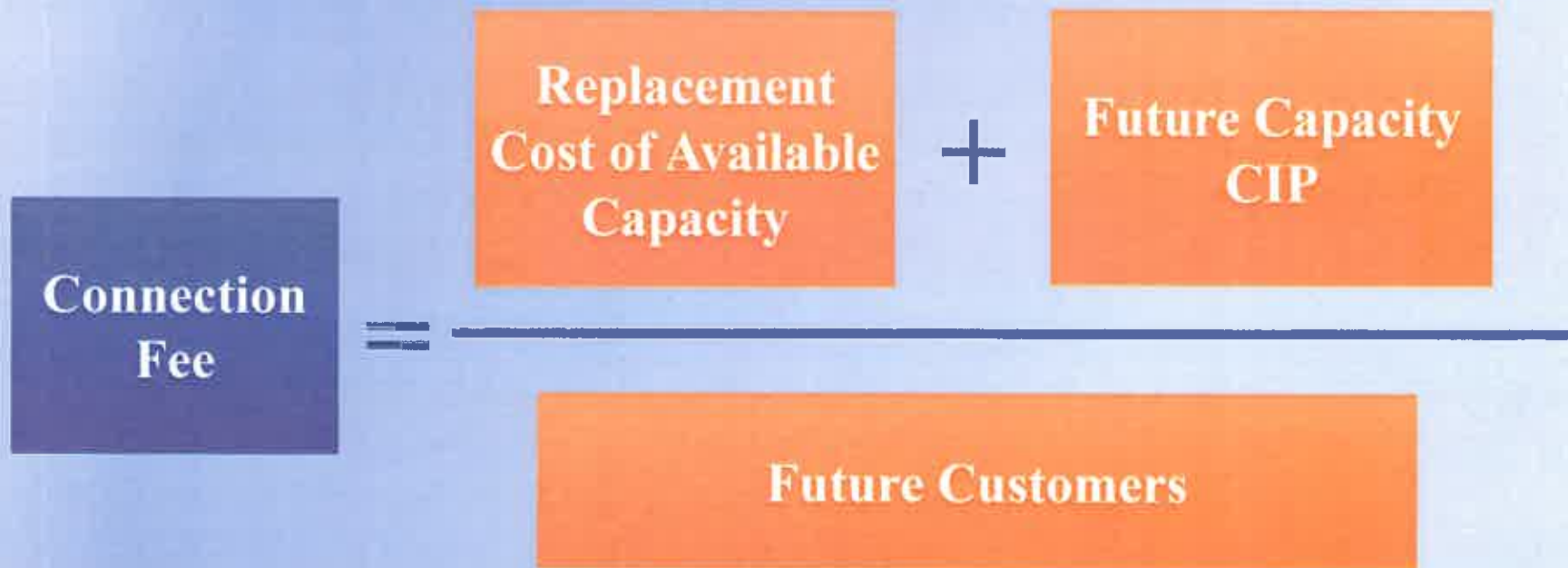
FY 2018/19: \$1,604 per MEU
FY 2019/20: \$1,684 per MEU

Regulatory Requirements: Connection fees are subject to California Government Code §66013

- Requires a reasonable nexus between the amount of the charge and the cost of capacity to serve the new development
- Defines maximum fee that may be imposed
- Legally permissible to include components for water resources, production, storage, distribution, and financial reserves
- Expansion fee revenues may only fund expansion related projects
- Not subject to Proposition 218

Hybrid Connection Fee Methodology:

Recovers proportionate share of capacity for existing system and planned future improvements



System Value and Cost Components: Hybrid connection fees account for existing assets as well as future improvements.

Existing Assets (Buy-In)

- **Existing Physical Assets** (Replacement Cost New Less Depreciation, RCNLD)
- **Plus:** Construction in Progress
- **Plus:** Cash Reserves
- **Less:** Adjustment for property tax revenues used for capital projects

Future Improvements (Incremental)

- Capital Improvements Attributable to Growth



Wastewater Connection Fees

Existing System Assets: Value based on Replacement Cost New Less Depreciation (RCNLD)

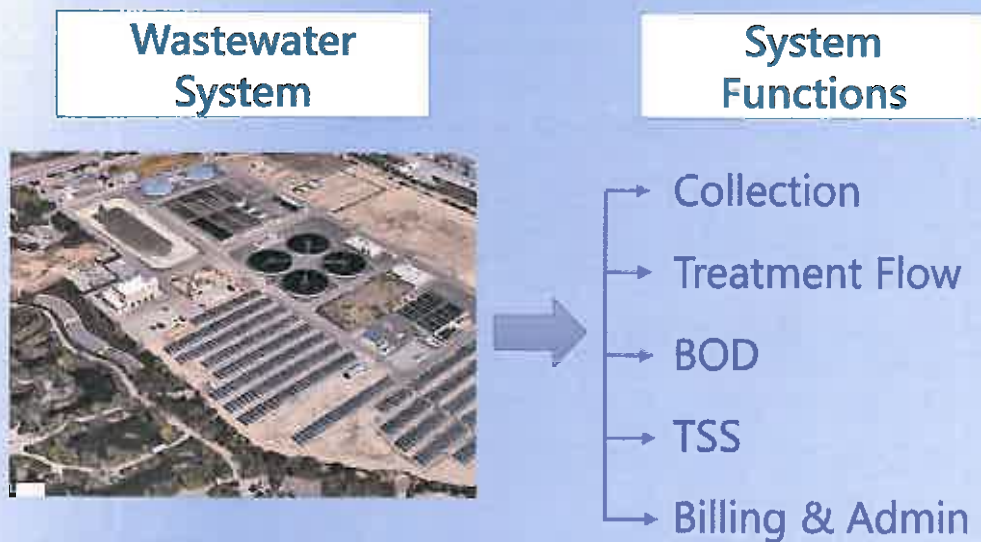
- RCNLD
 - Book Value
 - Original Value
 - Less: Accumulated Depreciation
 - Escalated to FY 2018/19 using ENR CCI

Wastewater System Valuation

	Original Value	Accumulated Depreciation	Book Value	RCNLD (Trended Book Value)
Total (M)	\$716.4	(\$373.4)	\$343.0	\$505.9

Note: Totals may not tie due to rounding.

Asset Allocation: Asset values are allocated to billable constituents based on each assets function within the system.



- Ex 1. Collection Assets
 - Allocated to flow since collection systems are sized based on flow
- Ex 2. Aeration Basins
 - Allocated to BOD since they are used to remove BOD from wastewater

Wastewater RCNLD Functional Allocation				
Billable Constituent	Flow	BOD	TSS	Total
Total (M)	\$268.3	\$157.3	\$80.2	\$505.9

Available Existing System Assets: The value of existing physical system available to serve growth is based on available capacity within the system.

- Each asset was associated with a particular treatment plant (or the collection system) in order to determine the "capacity" of the asset available for future users.
- Using the asset's RCNLD, the value of its available capacity was calculated

RCNLD of Available Wastewater Capacity

Billable Constituent	Flow	BOD	TSS	Total
Total (M)	\$82.1	\$47.8	\$22.4	\$152.3
Resulting Functional Allocation	54%	31%	15%	100%

Note: Totals may not tie due to rounding.

Applicable Reserves: Approximately 28% of IEUA's reserves are included based on the total growth in EDUs.

- The reserve funds of the wastewater system include:
 - Regional Operations and Maintenance (RO) Fund
 - Regional Wastewater Capital Improvement (RC) Fund
 - Non-Reclaimable Wastewater (NC) Fund
- Additionally, a share of the Administrative Services (GG) Fund proportional to the wastewater assets' total RCNLD out of all Agency RCNLD was included.

Wastewater Reserves		
Fund	Fund Report Balance 17/18 (M)	Future User's Share (M)
Regional Operations	\$76.8	\$21.5
Regional Capital	\$79.6	\$22.3
Non Reclaimable Wastewater	\$9.8	\$2.7
Administrative Services	<u>\$8.4</u>	<u>\$2.3</u>
Total	\$174.6	\$48.9

Note: Totals may not tie due to rounding.

Construction-in-Progress: Approximately 28% of the construction in progress value is included based on the total growth in EDUs.

- Construction in progress costs are escalated to current dollars using the ENR CCI
- A share of the Administrative Services (GG) Fund costs were included proportional to the wastewater assets' total RCNLD out of all Agency RCNLD

Wastewater Construction In Progress		
Fund	Total Construction In Progress (M)	Future Users' Share (M)
Regional Operations	\$36.9	\$10.3
Regional Capital	\$36.9	\$10.3
Non Reclaimable Wastewater	\$0.4	\$0.1
Administrative Services	<u>\$1.3</u>	<u>\$0.4</u>
Total	\$75.5	\$21.1

Note: Totals may not tie due to rounding.

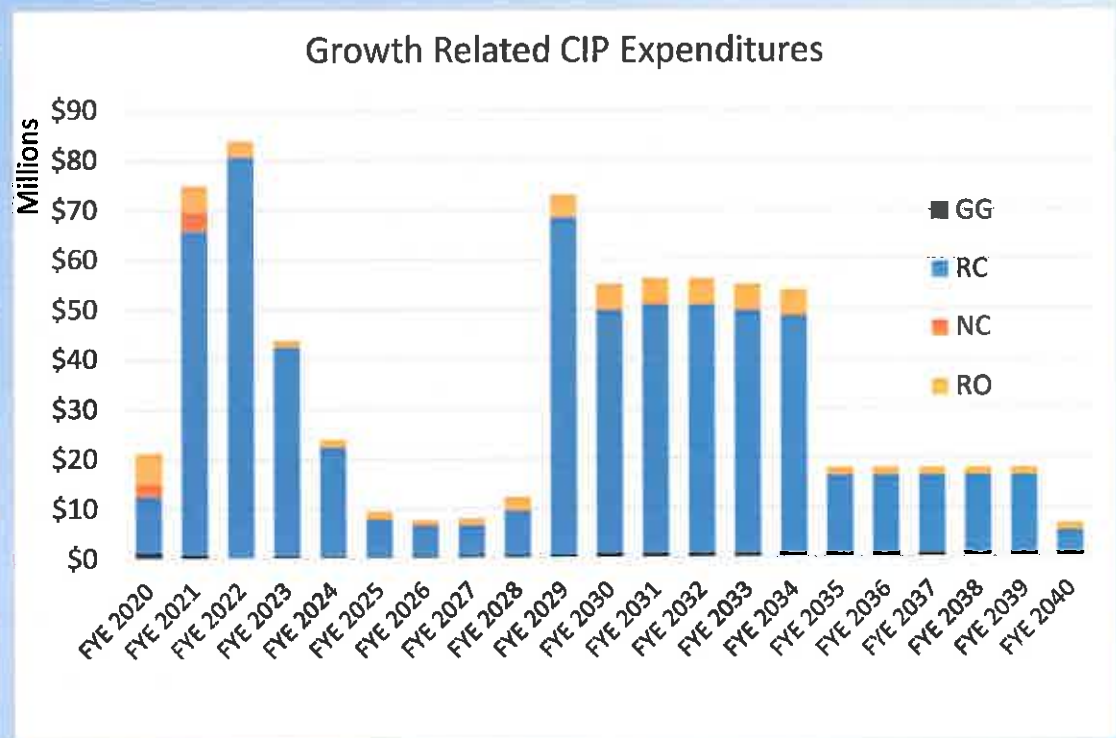
Property Tax Offset: Approximately 28% of the construction in progress value is included based on the total growth in EDUs.

- Each year a share of property tax revenues collected by IEUA are allocated to pay for capital projects, debt service, and O&M
- The present values of each recorded property tax receipt used for capital projects since FY 1999/00 totals \$61.0M
- Percentage of all customers by buildout that are new, 28%, represents the percentage of \$61.0M that has been collected from undeveloped properties
- \$17.1M is allocated to future users

Capital Improvement Plan: Approximately 46% of CIP costs through 2040 are considered to be growth related.

Wastewater Capital Improvement Plan

Fund	2020 - 2040 Project Costs (M)	Future Users' Share (M)
Regional Operations (RO)	\$286.9	\$58.6
Regional Capital (RC)	\$1,192.9	\$645.0
Non Reclaimable Wastewater (NC)	\$49.4	\$13.4
Administrative Services (GG)	<u>\$48.9</u>	<u>\$13.7</u>
Total	\$1,578	\$730.8



Note: Totals may not tie due to rounding.

Customer Base: Determined based on flow and loading forecasts and Equivalent Dwelling Unit (EDU) assumptions.

Flow
Forecast

Loading
Forecast

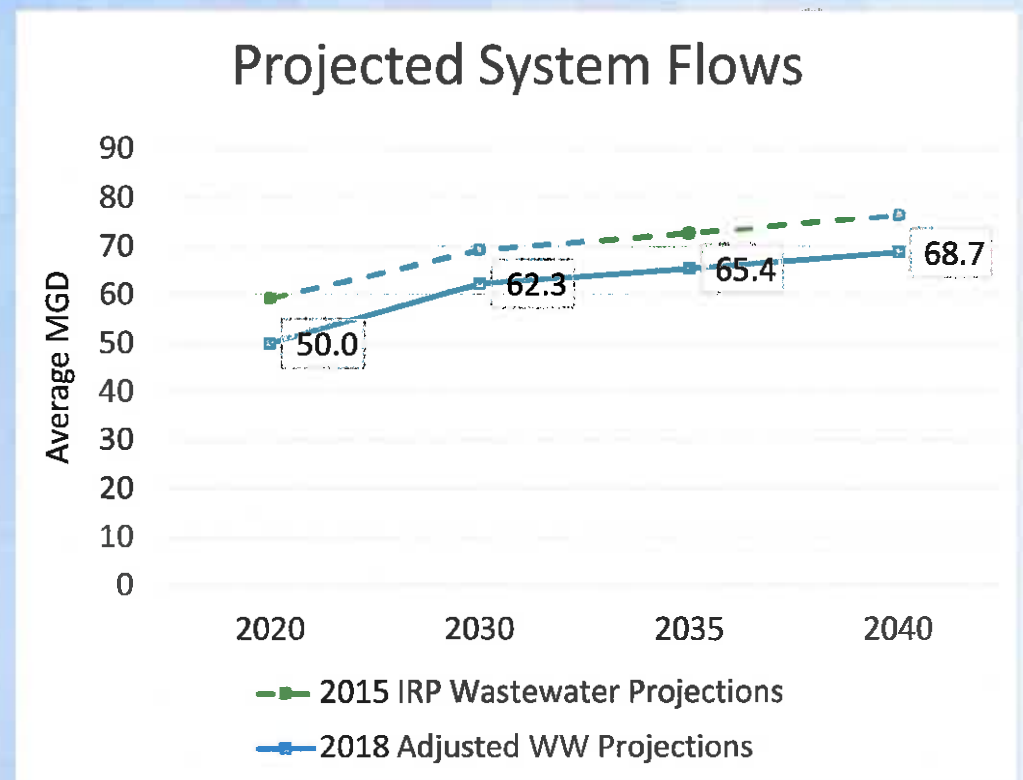
EDU
Assumptions

Cost
Allocations

Existing and Future Customer Base
(EDUs)

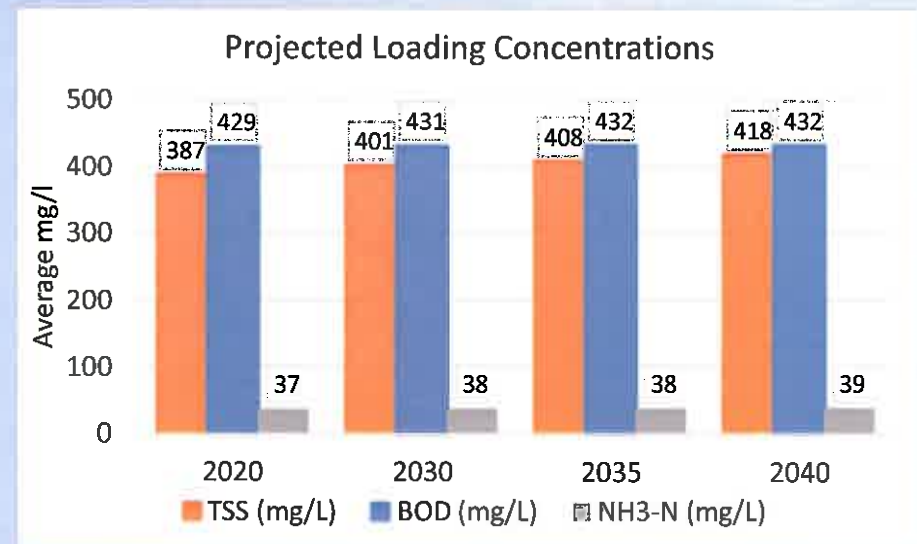
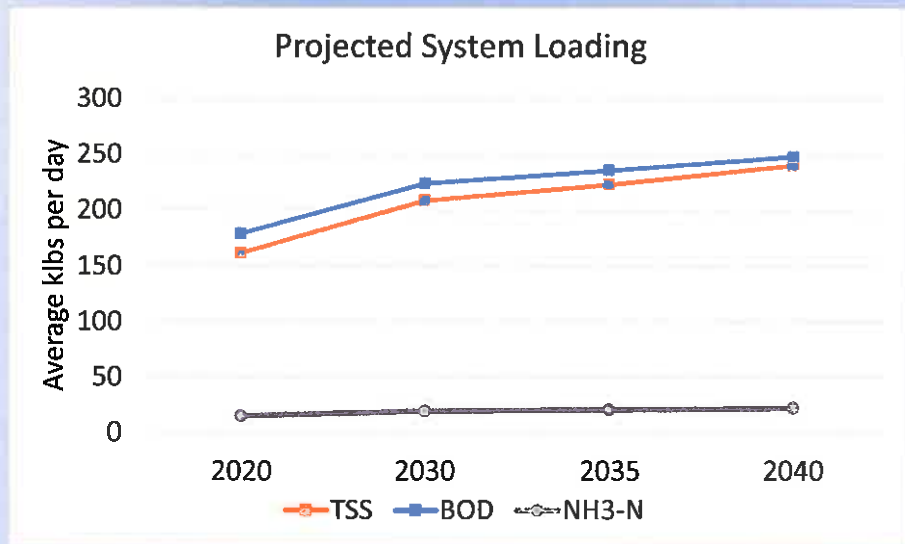
Flow Forecast: Projected flows are updated from the 2015 IRP to reflect actual flows in recent years.

- Flow increase through 2040
 - 18.7 MGD
- Projected flows represent a 10% reduction from the 2015 IRP
 - Impact of water use efficiency measures and ongoing plumbing code updates



Loading Forecast: System loadings are expected to be consistent with projections from the 2015 Wastewater Facilities Master Plan.

- Loading concentrations are expected to increase over time due to continued indoor water use efficiency improvements for new development as well as existing customers



Resulting Growth Forecast: Loadings are expected to increase slightly faster than flows.

Flow and Loading Projections				
	2020	2040	Future Users	
Flow (MGD)	50.0	68.7	18.7	27%
BOD (klbs/day)	179.0	247.9	68.8	28%
TSS (klbs/day)	161.6	239.8	78.2	33%

Note: Totals may not tie due to rounding.

EDU Definition: The EDU definition represents the expected flow and loading from a typical single family customer and accounts for IEUA's asset base.

- Updated flow assumption of 180 gpd based on 50 gpcd and projected persons per household
- Loading concentration assumptions may be refined as additional information becomes available (CASA Study, etc.)
 - Two options have been developed
 - Option A: Low Strength Concentrations: scaled loading assumptions based on current contract and updated gpd
 - Option B: High Strength Concentrations: assumes incrementally higher concentrations than Option A

EDU Definition: Continued

- Cost weighting factors are used to incorporate IEUAs asset base (physical system) into the EDU calculation
 - Weighting factors have been updated by allocating asset values to Flow, BOD, and TSS based on the function served by and sizing of each asset

EDU Assumptions

	Regional Contract	2015 Study	Updated Low Concentration		Updated High Concentration		Weighting Factor*
Flow	270 gpd	195 gpd	180 gpd	-	180 gpd	-	54%
BOD	230 mg/L	318 mg/L	345 mg/L	0.52 lbs/day	380 mg/L	0.57 lbs/day	31%
TSS	220 mg/L	304 mg/L	330 mg/L	0.50 lbs/day	365 mg/L	0.55 lbs/day	15%

*Weighting factors may change as the asset allocation is refined.

EDU Calculation: Determines the total number of EDUs based on flow and loading growth over the study period.

Option A: Low Loading Concentrations							
Component	Future Users		Per EDU (Low Concentration)		Weighting Factor		EDU Components
Flow	18.7 MGD	÷	180 gpd	x	54%	=	55,976
BOD	69.0 klbs	÷	0.52 lb	x	31%	=	41,784
TSS	78.2 klbs	÷	0.50 lb	x	15%	=	23,220
						Future EDUs	120,980

Option B: High Loading Concentrations							
Component	Future Users		Per EDU (High Concentration)		Weighting Factor		EDU Components
Flow	18.7 MGD	÷	180 gpd	x	54%	=	55,976
BOD	69.0 klbs	÷	0.57 lb	x	31%	=	37,935
TSS	78.2 klbs	÷	0.55 lb	x	15%	=	20,993
						Future EDUs	114,905

- Higher loading concentration assumptions result in lower future EDUs because overall loading projections are fixed

Note: Totals may not tie due to rounding.

Preliminary Wastewater Connection Fees

Component	Value (M)
RCNLD (Existing Physical System)	\$152.3
Construction in Progress	\$21.1
Reserves	\$48.9
Less: Property Tax Offset	(\$17.1)
Subtotal Buy-In Portion	\$205.3
Incremental Portion (Growth Related CIP)	\$730.8
Option A: Low Loading Concentrations Scenario	
Expected Future Users (EDUs)	120,980
Buy-In Fee (\$ per EDU)	\$1,700
Incremental Fee (\$ per EDU)	\$6,000
Total Connection Fee (\$ per EDU)	\$7,700
Option B: High Loading Concentrations Scenario	
Expected Future Users	114,905
Buy-In Fee (\$ per EDU)	\$1,800
Incremental Fee (\$ per EDU)	\$6,400
Total Connection Fee (\$ per EDU)	\$8,200

Note: Totals may not tie due to rounding.

- Results of the preliminary analyses suggest fees ranging from:
 - **\$7,700 per EDU** in the low loading concentration scenario
- to:
 - **\$8,200 per EDU** in the high loading concentration scenario
- *The adopted fee for FY 2019/20 is \$6,955 per EDU*



One-Water Connection Fees

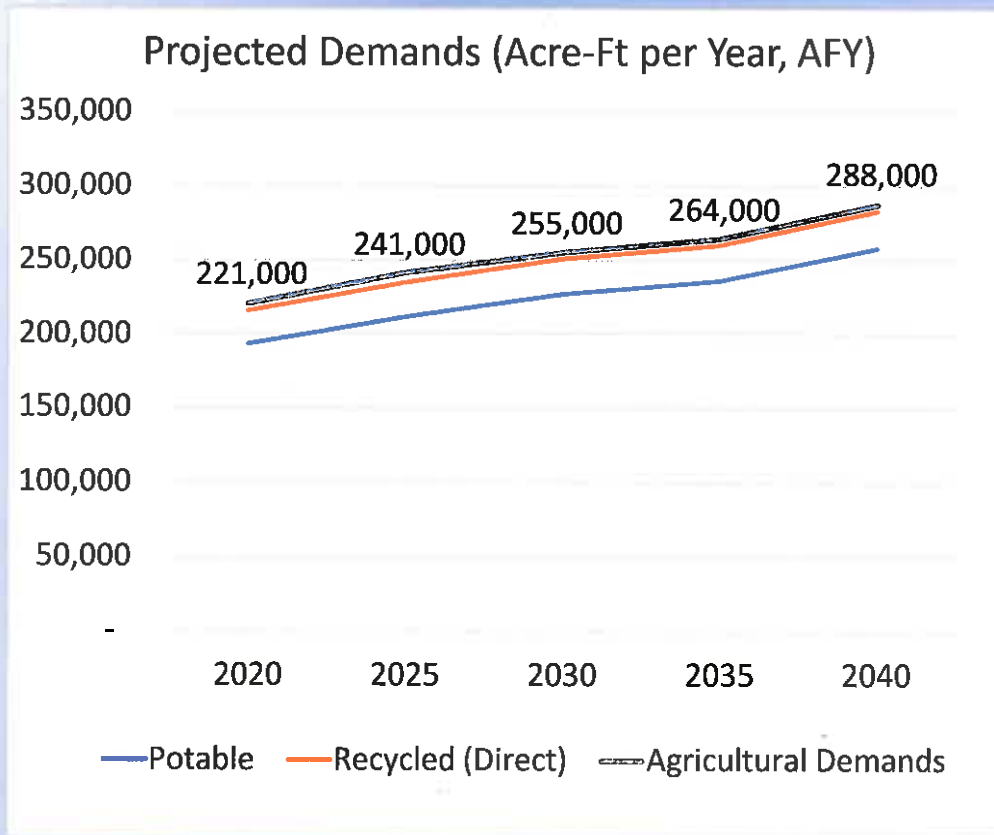
Customer Base: Determined based on water usage projections and demands per Meter Equivalent Unit (MEU).

Water Demand Forecast

Calculated Usage per Meter
Equivalent Unit (MEU)

Existing and Future Customer Base
(MEUs)

Water Usage Forecast: Based on 2015 UWMP or values provided by member agencies.



Water Usage Projection

	2020	2040	Future Users
Potable	193,327	257,543	64,216
Recycled (Direct)	22,000	25,000	3,000
Agricultural Demands	5,344	4,990	-354
Total	220,671	287,533	66,862
Percent for Future Users			23%

Note: Totals may not tie due to rounding.

MEU Calculations: Future MEUs are calculated based on the current usage per MEU and projected demands.

Current Connections and MEUs

Meter Size	MEU Ratio	Potable Connections	Recycled Connections
5/8"	1.0	83,869	
3/4"	1.0	56,733	
1"	2.5	43,528	122
1.5"	5.0	5,410	214
2"	8.0	8,244	458
3"	17.5	697	117
4"	31.5	356	36
6"	70.0	152	30
8"	120.0	266	11
10"	150.0	36	23
12"	175.0	2	
Total Connections		199,293	1,011
MEUs		414,146	15,091

MEU Calculation	
Current MEUs	
Potable	414,146
Recycled	15,091
Total	429,236
2020 Usage (AFY)	
AFY per MEU	0.514
2040 Usage	
2040 MEUs	559,292
New MEUs	
Percent	23%

Note: Totals may not tie due to rounding.

Existing System Assets: The future users' share of the RCNLD and Construction in Progress is 23% based on the expected MEU growth through 2040.

Water System Valuation*

	Original Value	Accumulated Depreciation	Book Value	RCNLD (Trended Book Value)	Future Users' Share
Total (M)	\$283.7	(\$71.5)	\$212.2	\$268.1	\$61.7

*Includes assets from the Recycled Water, Recharge Water, and Water Resources Funds

Water System Construction in Progress

Fund	Total Construction In Progress (M)	Future Users' Share (M)
Recycled Water	\$11.0	\$0.02
Recharge Water	\$3.4	\$0.8
Water Resources	<u>\$1.3</u>	<u>\$2.5</u>
Total	\$15.7	\$3.3

Note: Totals may not tie due to rounding.

Applicable Reserves: Approximately 23% of IEUA's reserves are included based on the total growth in MEUs.

- The reserve funds of the water system include:
 - Recycled Water (WC) Fund
 - Recharge Water (RW) Fund
 - Water Resources (WW) Fund
- Additionally, a share of the Administrative Services (GG) Fund proportional to the water assets' total RCNLD out of all Agency RCNLD was included.

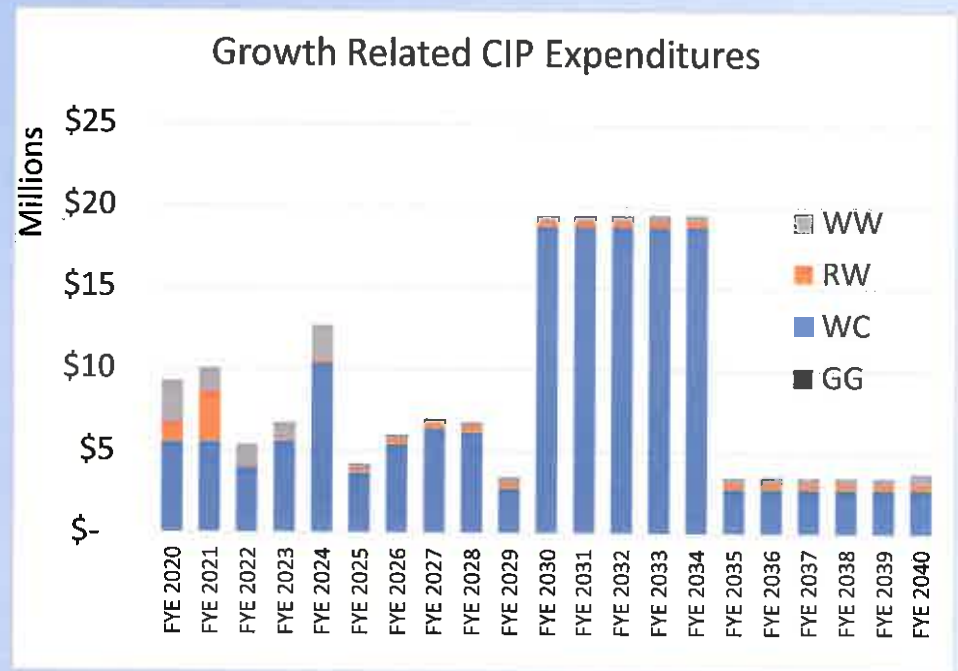
Water System Reserves		
Fund	Balance (M)	Future User's Share (M)
Recycled Water	\$35.1	\$8.1
Recharge Water	\$3.3	\$0.7
Water Resources	\$10.6	\$2.4
Administrative Services	\$4.8	\$1.1
Total	\$53.7	\$12.4

Note: Totals may not tie due to rounding.

Capital Improvement Plan: Approximately 28% of CIP costs through 2040 are considered to be growth related.

Water System Capital Improvement Plan

Fund	2020 - 2040 Project Costs (M)	Future Users' Share (M)
Recycled Water (WC)	\$421.3	\$164.8
Recharge Water (RW)	\$44.8	\$10.3
Water Resources (WW)	\$60.3	\$13.9
Administrative Services (GG)	<u>\$3.5</u>	<u>\$0.8</u>
Total	\$592.9	\$189.8



Note: Totals may not tie due to rounding.

Preliminary One-Water Connection Fees

Component	Value (M)
RCNLD (Existing Physical System)	\$61.7
Construction in Progress	\$3.3
Reserves	\$12.4
Less: Property Tax Offset	n/a
Subtotal Buy-In Portion	\$77.3
Incremental Portion (Growth Related CIP)	\$189.8
Expected Future Users (MEUs)	130,056
Buy-In Fee (\$ per MEU)	\$600
Incremental Fee (\$ per MEU)	\$1,500
Total Connection Fee per MEU	\$2,100

Note: Totals may not tie due to rounding.

- Results of the preliminary analyses suggest fees of approximately **\$2,100 per MEU**
- Calculations will continue to be refined based on:
 - CIP Costs
 - Growth Projections
 - Growth Allocations
- *The adopted fee for FY 2019/20 is \$1,684 per MEU*



Next Steps

Next Steps:

- Continue to refine connection fee analyses
- Develop analyses for service rates
 - Wastewater Monthly EDU Rate
 - Water Monthly MEU Rate
 - Recycled Water Volumetric Rates
 - Recharge Water Volumetric Rate
- Incorporate scenarios to assess the impact of the Chino Basin Program

RATE STUDY SCHEDULE

*dates and topics subject to changes/additions

Workshop #3

Thursday, May 30 at 4:00 p.m.

Discuss draft results of MEU rate analysis.

Workshop #4

Thursday, June 27 at 4:00 p.m.

Discuss draft results of EDU Monthly, recycled water, and recharge water rate analyses.

Workshop #5

Thursday, July 25 at 4:00 p.m.

Discuss results of CBP analysis and final recommendations.